2008 – 2009

Public Accounts

Yukon

Tombstone Territorial Park

Cover photo by Government of Yukon

Parc territorial Tombstone

Photographie : Gouvernement du Yukon

PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF YUKON

for the year ended March 31, 2009

Yukon

Finance

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Yukon
Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6

October 27, 2009

The Honourable Geraldine Van Bibber
Commissioner of Yukon

I have the honour to submit herewith the Public Accounts of the Government of Yukon for the fiscal year ended March 31, 2009.

Dennis Fentie
Minister of Finance

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PUBLIC ACCOUNTS OF THE
GOVERNMENT OF YUKON

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PART ONE

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of Yukon is the responsibility of management of the Department of Finance.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector. Where GAAP permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these statements.

The Government fulfills its account and reporting responsibilities, through the Department of Finance, by maintaining systems of financial management and control designed to provide timely and reliable information to users, to properly safeguard assets, and to ensure all financial transactions are in accordance with the *Yukon Act* (Canada), *Financial Administration Act* (Yukon) and regulations.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the results of its operations, the change in its net financial resources and its cash flows of the year, in accordance with GAAP for the public sector. During the course of the audit, she also examines transactions that have come to her notice, to ensure they are, in all significant respects, in accordance with the statutory powers of the Government and those organizations included in the consolidation.

Annually, the consolidated financial statements are tabled in the Legislative Assembly as part of the Public Accounts, and are referred to the Public Accounts Committee.

David Hrycan

David Hrycan, CMA
Deputy Minister of Finance

September 30, 2009

Reconfirmed
June 30, 2010

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Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Legislative Assembly of Yukon

I have audited the consolidated statement of financial position of the Government of Yukon as at March 31, 2009 and the consolidated statements of operations and accumulated surplus, change in net financial resources and cash flows for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Government, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2009 and the results of its operations, the change in its net financial resources, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Further, in my opinion, the transactions of the Government and of those organizations listed in Note 2(a) to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government's powers under the *Yukon Act* and the *Financial Administration Act* and regulations and the legislative authorities and by-laws governing the organizations listed in Note 2(a).

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Vancouver, Canada
June 30, 2010

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GOVERNMENT OF YUKON

Consolidated Statement of Financial Position
as at March 31, 2009

	2009	2008
		(Restated - Note 3)
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 4)	$ 78,972	$ 45,393
Temporary investments (Note 5)	111,449	120,014
Due from Government of Canada (Note 6)	61,220	63,349
Accounts receivable (Note 7)	14,158	18,476
Portfolio investments (Note 8)	24,114	-
Long-term investments (Note 8)	-	30,148
Loans receivable (Note 9)	64,213	51,532
Inventories held for sale (Note 10)	6,900	6,682
Investment in government business enterprises (Note 11(a))	143,772	143,310
	504,798	478,904
Liabilities		
Due to Government of Canada (Note 6)	17,396	12,854
Accounts payable and accrued liabilities (Note 12)	78,753	75,528
Unearned revenues (Note 13)	25,058	5,031
Post-employment benefits (Note 14)	64,583	59,685
Retirement benefits (Note 15)	15,902	20,587
Long-term debt (Note 16)	18,104	19,535
Capital lease obligations (Note 17)	3,879	4,984
	223,675	198,204
Net financial resources	**281,123**	**280,700**
Non-financial assets		
Tangible capital assets (Note 19)	978,042	947,745
Less deferred capital contributions (Note 20)	(531,917)	(506,365)
Inventories of supplies	7,258	5,299
Prepaid expenses	1,540	1,538
	454,923	448,217
Accumulated surplus	**$ 736,046**	**$ 728,917**

Contingencies, contractual obligations and guarantees
(Notes 11, 23, 25, 26, 27 and 28)

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Approved:

David Hrycan

David Hrycan, CMA
Deputy Minister of Finance

Dennis Fentie
Minister of Finance

GOVERNMENT OF YUKON

Consolidated Statement of Operations and Accumulated Surplus for the year ended March 31, 2009

	2009		2008
	Budget	Actual	Actual
	(Note 1(b))		(Restated - Note 3)
		(thousands of dollars)	
Revenues (Schedule A)			
From Government of Canada	$ 683,022	$ 682,475	$ 649,501
Taxes and general revenues	98,844	111,069	104,823
Income from investment in government business enterprises	6,122	7,491	10,417
Funding and service agreements with other parties	27,363	26,727	21,562
Amortization of deferred capital contributions	15,304	16,134	14,184
	830,655	843,896	800,487
Expenses (Note 21)			
Health and social services	223,583	238,155	211,803
Community and transportation	189,255	187,889	163,223
Education	145,665	145,756	141,952
General government	123,333	111,096	121,319
Natural resources	66,792	68,702	64,471
Justice	46,136	48,861	44,938
Business, tourism and culture	37,898	35,626	36,239
Interest on loans	1,742	1,494	1,688
	834,404	837,579	785,633
Recovery of prior years' expenses	-	812	1,190
Surplus (deficit) for the year	**$ (3,749)**	**7,129**	**16,044**
Accumulated surplus at beginning of year, previously reported		752,003	711,099
Prior year adjustments (Note 3)		(23,086)	1,774
Accumulated surplus at beginning of year, restated		728,917	712,873
Accumulated surplus at end of year		**$ 736,046**	**$ 728,917**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON

Consolidated Statement of Change in Net Financial Resources
for the year ended March 31, 2009

	2009		2008
	Budget (Note 1(b))	Actual	Actual (Restated - Note 3)
		(thousands of dollars)	
Surplus (deficit) for the year	$ (3,749)	$ 7,129	$ 16,044
Effect of change in tangible capital assets			
Acquisitions	(72,214)	(71,296)	(59,764)
Capital contributions received and deferred	28,295	41,682	34,019
Amortization of tangible capital assets	36,223	39,852	38,694
Amortization of deferred capital contributions	(14,380)	(16,134)	(14,184)
Loss on disposal of tangible capital assets	942	957	115
Proceeds on disposal of tangible capital assets	-	190	294
Write-down of tangible capital assets	-	-	48
Write-down of deferred capital contributions	-	4	(16)
	(21,134)	(4,745)	(794)
Effect of change in other non-financial assets			
Increase decrease in inventories of supplies	-	(1,959)	(366)
Increase in prepaid expenses	-	(2)	(93)
	-	(1,961)	(459)
Increase (decrease) in net financial resources	**$ (24,883)**	**423**	**14,791**
Net financial resources at beginning of year, as previously reported		306,482	265,909
Prior year adjustments (Note 3)		(25,782)	-
Net financial resources at beginning of year, restated		280,700	265,909
Net financial resources at end of year		**$ 281,123**	**$ 280,700**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF YUKON

Consolidated Statement of Cash Flow
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)
	(thousands of dollars)	
Operating transactions		
Cash received from:		
Government of Canada	$ 711,638	$ 643,573
Taxes and general revenues	111,105	102,161
Funding and service agreements with other parties	27,787	21,863
Interest from investments and loans	7,680	12,095
	858,210	779,692
Cash paid for:		
Salary, wages and benefits	378,016	344,172
Materials, utilities and contract services	266,050	262,685
Transfer payments	141,189	139,041
Interest on loans	1,518	1,808
Interest on capital leases	546	672
	787,319	748,378
Cash provided by operating transactions	70,891	31,314
Capital transactions		
Acquisition of tangible capital assets	(69,928)	(60,146)
Contributions received for acquisition	35,227	25,735
Proceeds on sale of tangible capital assets	190	294
Cash used for capital transactions	(34,511)	(34,117)
Investing transactions		
Decrease (increase) in temporary investments	8,565	(118,066)
Decrease (increase) in long-term/portfolio investments	1,622	(36,349)
Investment in inventories held for sale	(7,588)	(4,438)
Proceeds from sale of inventories held for sale	8,422	8,003
Advances of loans receivable	(18,566)	(9,706)
Repayment of loans receivable	7,278	9,337
Cash used for investing transactions	(267)	(151,219)
Financing transactions		
Repayment of capital lease obligations	(1,105)	(979)
Repayment of long-term debt	(1,429)	(1,300)
Cash used for financing transactions	(2,534)	(2,279)
Increase (decrease) in cash and cash equivalents	**33,579**	**(156,301)**
Cash and cash equivalents at beginning of year	45,393	201,694
Cash and cash equivalents at end of year (Note 4)	**$ 78,972**	**$ 45,393**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

1. Authority and operations

(a) Authority

The Government of Yukon (the Government) operates under the authority of the *Yukon Act* (Canada). All disbursements for operations and loans are authorized by the Yukon Legislative Assembly.

(b) Budget

The Budget figures fully consolidate, on a line-by-line basis, the Main Estimates approved in the Legislative Assembly, which consists of the estimates of the Government departments and the Yukon Housing Corporation, with the budgets of Yukon College and the Yukon Hospital Corporation as approved by the respective Board of trustees. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Legislative Assembly.

(c) Investments

The *Financial Administration Act* (Yukon) allows the Government to invest money from the consolidated revenue fund in the following investments:

- securities that are obligations of, or guaranteed by, the Government of Canada or a province;
- fixed deposits, notes, certificates and other short term paper of, or guaranteed by, a bank including swapped deposit transactions in currency of the United States of America;
- commercial paper issued by a company incorporated under the laws of the Government of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions.

The duration of the securities held depends on cash projections but usually averages under a year in length.

2. Significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting entity and method of consolidation

The consolidated financial statements include the accounts of all government sector entities and government not-for-profit organizations.

Government sector entities include departments and government-controlled corporations. Government not-for-profit organizations comprise government-controlled education and health institutions.

The accounts of government sector entities and not-for-profit organizations, except for those that are commercial in nature and are classified as government business enterprises, are consolidated using the full consolidation method. With the full consolidation method, revenue and expense transactions, capital, investing and financing transactions, and related assets and liability accounts between consolidated entities have been eliminated.

The accounts of government business enterprises are consolidated using the modified equity method. Under the modified equity method of consolidation, the accounting policies of consolidated entities are not adjusted to conform with those of the government organizations that are consolidated using the full consolidation method. Inter-entity revenue and expense transactions and related asset and liability balances are not eliminated.

All accounts of the government reporting entity are consolidated using the financial information for the year ended March 31, 2009. As for the organizations that use a fiscal year-end other than March 31, the Government used their interim financial statements as at March 31, 2009.

Trusts administered by the Government on behalf of other parties (Note 22) are excluded from the government reporting entity.

The organizations comprising the government reporting entity, categorized by the consolidation method are as follows:

Full consolidation:

Government of Yukon departments
Yukon College
Yukon Hospital Corporation
Yukon Housing Corporation

Modified equity:

Yukon Development Corporation
Yukon Liquor Corporation
Yukon Government Fund Limited

(b) Basis of accounting

Revenues

Revenues are recorded on an accrual basis.

Grants from the Government of Canada are recognized as revenues when entitlement for the transfer occurs. The Government receives a Formula Financing grant from the Government of Canada. For the years 2007/2008 to 2013/2014, the Government of Canada has, under Bill C-52, the *Budget Implementation Act, 2007*, restored the Formula Financing grant to a principle-based arrangement. Health and social transfers are received in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada). Adjustments for health and social transfer revenues are made in the year they are known.

The Government receives funds from the Government of Canada and other sources under various transfers including infrastructure funding, reconstruction of the Alaska Highway, social assistance and occupational training. Revenues are recognized in the year in which the related expenses are incurred. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's Department of Finance's best estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are final. The Government recognizes income tax revenues based on the estimates made by the Government of Canada, adjusted for known factors. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

Fuel and tobacco taxes are levied under the authority of the *Fuel Oil Tax Act* (Yukon) and the *Tobacco Tax Act* (Yukon). Revenues are recognized based on the statements received from collectors and estimates. Adjustments from reassessments are recorded in revenue in the year they are identified.

Expenses

Expenses are recorded on an accrual basis. Transfer payments are recorded as expenses when paid or when the terms of a contractual transfer agreement have been met.

Recovery of prior years' expenses includes reversal of amounts accrued in prior years which are in excess of actual expenses. These amounts cannot be used to increase the amount appropriated for the current year.

Assets

Financial assets

Cash and cash equivalents include cash on hand, balances with banks, funds held in trust accounts on behalf of the Government, and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

Temporary investments include banker's acceptance, bearer deposit notes and Government of Canada treasury bills with terms of maturity of more than 90 days but less than one year from the date of acquisition. When the market value of temporary investments has declined below the carrying value, they are carried at market value.

Portfolio investments are long-term investments and accounted for by the cost method. Any discount or premium arising on purchase is amortized over the period to maturity, and the carrying value of the investment is adjusted systematically, during the period it is held, toward the amount expected to be realized at maturity. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

Loans receivable are stated at the lower of principal amounts and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable amount, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. The loan receivable is reduced by the amount of a loss when the amount is known with sufficient precision, and there is no realistic prospect of recovery. Interest revenue is recognized on an accrual basis until such time that the collectibility of either principal or interest is not reasonably assured.

Inventories held for sale include land that has been developed by the Government, housing units and supplies held for eventual sale. Land held for sale comprises the costs of acquiring, planning and developing serviced lots. The lots are valued at cost, except, when there has been a loss in value that is other than a temporary decline, in which case the lots are written down to net recoverable value to recognize the loss. Gains or losses on the sale of lots are recognized at the time of sale. Housing units and supplies held for sale are recorded at the lower of cost and net realizable value.

Non-financial assets

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets.

Inventories of supplies consist primarily of fuel and lubricants, repair parts, stationery and office supplies, highway materials that are tracked through revolving funds and medical supplies of the Yukon Hospital Corporation. Inventories are valued at the lower of cost and replacement value. These assets are not held for sale and are intended to be used in providing government services. Other materials and supplies are expensed at the time of acquisition.

Liabilities

Liabilities include financial claims payable by the Government and unearned revenues.

Unearned revenues are cash received for which goods and services have not been provided by year-end, and are primarily comprised of motor vehicle licence fees for the following fiscal years and transfer payments from the Government of Canada, which have not been yet expended in accordance with funding agreements.

Capital lease obligations are recorded with a corresponding asset at the lower of the present value of the minimum lease payments, excluding the portion relating to executory costs, and the fair value of the asset. The present value is based on the Government's borrowing rate at the time the obligation is incurred.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed.

(c) Tangible capital assets

Tangible capital assets are buildings, roads, equipment, and other items, whose useful life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services. These assets are recorded at cost, or fair value if donated. For certain tangible capital assets that have previously been transferred from the Government of Canada or where the original costs are not readily available, estimated costs have been extrapolated back in time in a systematic and rational manner to approximate the appropriate transfer value of the assets at the time of transfer.

Transferred and cost-shared tangible capital assets are recorded upon acquisition with an offsetting deferred capital contribution that represents the value of the contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service, are amortized on a straight-line basis over their estimated useful life.

The value of works of art, historical treasures, all intangibles, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources are not recorded as tangible capital assets. The existence of historical treasures and the total estimated value of works of art are disclosed in Note 19 of these financial statements.

Tangible capital assets that are held and available for use by the Government are reported based on the following capitalization thresholds and estimated useful lives:

Asset category	Threshold	Estimated useful life
Land	Nil	N/A
Land improvements and fixtures	$50,000	up to 50 years
Buildings	$50,000	40 - 50 years
Portable classrooms/housing trailers	$50,000	20 years
Heavy equipment	$10,000	7 - 30 years
Operating equipment	$10,000	7 - 25 years
Vehicles	$10,000	6 - 20 years
Computer hardware	$10,000	5 years
Computer software	$100,000	7 years
Leasehold improvements	$50,000	Shorter of the lease term or useful economic life
Forestry access roads	$50,000	10 years
Highways	$250,000	30 - 50 years
Pavement	$250,000	26 years
Bridges	$250,000	30 - 50 years
Airport runways	$50,000	26 - 50 years

Tangible capital assets under construction or development are reported as work-in-progress with no amortization until the asset is placed in service.

(d) Post-employment benefits

Post-employment benefits are expected to be provided after employment but before retirement to employees. These benefits include severance benefits, accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. The Government recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these plans is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses.

(e) Retirement benefits

The Government's employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are expensed during the year in which the services are rendered and represent its total pension obligation. The Government is not currently required to make contributions with respect to any actuarial deficiencies of the pension plan. Other retirement benefits include extended health care for retired employees who choose to participate in the plan and a life insurance plan for retirees who meet certain criteria. Liabilities for these benefits are valued on an actuarial basis.

Retirement benefits to Members of the Legislative Assembly, territorial court judges, and the employees of Yukon College and the Yukon Hospital Corporation are defined benefit plans and are valued on an actuarial basis. Actuarial valuations of these benefits are performed triennially using the projected benefit method prorated on services, with an actuarial valuation for accounting purposes updated annually. Pension expenses for these plans are recognized as members render services. Actuarial gains and losses are amortized on a straight-line basis over the estimated average remaining service lives of the participants. The accrued benefit liability for these plans is calculated as the accrued benefit obligation less plan assets, if any, adjusted by unamortized actuarial gains or losses.

(f) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates when the contamination occurs, when the Government becomes aware of the contamination or, in the case of solid waste landfill closure and post-closure care, as the landfill sites capacity is used, and the Government is obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. Accrued environmental liabilities are reported as part of accrued liabilities.

(g) Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

Some of the more significant management estimates relate to long-term investments, post-employment and retirement benefits, environmental liabilities, contingencies and revenue accruals such as Canada health and social transfer payments, and corporate and personal income tax revenue.

3. Prior year adjustments

Building Canada Plan

In 2007/2008, the Government reported funding under the Building Canada Plan as revenue when the Building Canada Plan Framework Agreement was signed. Subsequently, the Government signed the Base Funding Agreement with the Government of Canada, which set forth eligibility criteria that still had to be met in order to record revenue as at March 31, 2008. As a result, a retroactive adjustment was required to restate prior year amounts.

The effects of this change to 2007/2008 are reductions of revenues and surplus for the year by $25 million and a reduction of ending financial assets and accumulated surplus by the same amount.

Yukon Housing Corporation

(a) Change in an accounting policy – previously netted funding

The Yukon Housing Corporation, a fully-consolidated government organization, internally allocates a portion of the annual funding received from the Canada Mortgage and Housing Corporation for the betterment of social housing. The allocated amount does not exceed $250,000 per year. Until the fiscal year 2006/2007, the Corporation netted these amounts to the cost of betterment. As the amounts were not considered material on an annual basis, the Government had not been modifying this accounting policy in its consolidated financial statements.

As of the fiscal year 2007/2008, subsequent to the completion of the Government's 2007/2008 consolidated financial statements, the Corporation changed its source of generally accepted accounting principles from the CICA Handbook for profit-oriented enterprises to Canadian public sector accounting standards. Consequently, the Corporation has changed its accounting policy and now recognizes the portion of the funding that is used for betterment of tangible capital assets as revenues of the year. As the terms of the funding do not specify that a certain portion must be spent by the Corporation to acquire tangible capital assets, it is not considered to be externally restricted.

This change in an accounting policy had a cumulative effect, resulting in an increase in the 2007/2008 ending balance of tangible capital assets and accumulated surplus by $1,750,000. This change in an accounting policy is applied retrospectively and the comparative year amounts have been restated. Further details of the effects of this change in an accounting policy are described in the table below.

(b) Changes to the Yukon Housing Corporation's 2007/2008 financial statements

Some adjustments were made to the Yukon Housing Corporation's 2007/2008 financial statements subsequent to the completion of the Government's consolidated financial statements. The effects of these changes to the opening balances were an increase of financial assets by $362,000, an increase of liabilities by $1,144,000, a decrease of tangible capital assets by $182,000, a decrease of deferred capital contributions by $1,128,000, and an increase of accumulated surplus by $164,000. The comparative year amounts are restated to reflect these changes. Further details of the changes that are reflected in these financial statements are described in the table below.

Effects of the above adjustments to the prior year are summarized as follows:

(thousands of dollars)	March 2008 as previously reported	Adjustments				Reclassification	March 2008 restated
		Building Canada Plan accounting policy change	Yukon Housing previously netted funding	Yukon Housing changes to 2007/08 statements	Total adjustments		
Financial assets	$ 503,542	$ (25,000)	$ -	$ 362	$ (24,638)	$ -	$ 478,904
Liabilities	197,060	-	-	1,144	1,144	-	198,204
Net financial resources	306,482	(25,000)	-	(782)	(25,782)	-	280,700
Non-financial assets	445,521	-	1,750	946	2,696	-	448,217
Revenues	823,603	(25,000)	192	554	(24,254)	1,138	800,487
Expenses	782,699	-	216	390	606	1,138	784,443
Surplus for the year	40,904	(25,000)	(24)	164	(24,860)	-	16,044
Accumulated surplus at beginning of year	711,099	-	1,774	-	1,774	-	712,873
Accumulated surplus at end of year	752,003	(25,000)	1,750	164	(23,086)	-	728,917

4. Cash and cash equivalents

	2009	2008
	(thousands of dollars)	
Bank balances	$ 44,029	$ 7,914
Short-term investments	23,401	27,564
Funds held for the Government by trustees	13,131	9,850
Cash on hand	61	65
Bank line of credit	(1,650)	-
	$ 78,972	$ 45,393

5. Temporary investments

	2009		2008	
	Market Value	Book Value	Market Value	Book Value
	(thousands of dollars)			
Banker's acceptance	$ 82,673	$ 82,598	$ 56,717	$ 56,710
Bearer deposit notes	19,917	19,905	43,666	43,672
Provincial treasury bills and promissory notes	8,982	8,946	-	-
Government of Canada treasury bills	-	-	19,653	19,632
	$ 111,572	$ 111,449	$ 120,036	$ 120,014

Temporary investments during the year had a weighted average effective yield of 2.7% (2008 – 4.5%) per annum.

6. Due from/to Government of Canada

	2009	2008 (Restated – Note 3)
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	$ 53,944	$ 54,483
Income tax receivable	6,996	4,082
Grants receivable	-	4,570
Other	280	214
	$ 61,220	$ 63,349
Due to Government of Canada		
RCMP	$ 8,132	$ 4,199
Public Service Pension Plan contribution payable	4,125	3,735
Payroll deductions payable	4,053	3,873
Other	1,086	1,047
	$ 17,396	$ 12,854

Amounts due from and due to Government of Canada are payable on demand and are non-interest bearing. The carrying amounts approximate fair market values because of their short term to maturity.

7. Accounts receivable

	2009	2008 (Restated – Note 3)
	(thousands of dollars)	
Taxes, interest and other revenue receivables	$ 11,051	$ 14,305
Less valuation allowances	(1,326)	(1,254)
	9,725	13,051
Due from Territorial corporations	4,433	5,425
	$ 14,158	$ 18,476

8. Portfolio investments

	2009	2008
	(thousands of dollars)	
Portfolio investments		
Master Asset Vehicle II Notes	$ 24,114	$ -
Long-term investments		
Asset-backed commercial paper	-	30,148
	$ 24,114	$ 30,148

On March 31, 2009 the Government held portfolio investments in floating rate notes with a carrying value of $24.1 million as a result of a successful restructuring process related to previous investments in asset-backed commercial paper. On January 21, 2009, the Government's holdings of non-bank sponsored asset-backed commercial paper ("ABCP") were restructured into a series of floating rate notes, designated as Master Asset Vehicle II ("MAV II") notes. Immediately prior to the restructuring of ABCP into floating rate notes the Government held a portfolio of ABCP investments with a cost of $36.3 million, comprised of $12.9 million in Opus Trust Series A and $23.4 million in Symphony Trust Series A. At March 31, 2008 these investments were carried at a net recoverable value of $30.1 million.

These investments were originally purchased in July and August of 2007 and were expected to mature during the months of August and September 2007 but, as a result of liquidity issues in the ABCP market, did not settle on maturity. On August 13, 2007 certain non-bank sponsors of ABCP were unable to fund maturing obligations through new market sales of ABCP or drawing on liquidity arrangements. As a result, the non-bank sponsored ABCP obligations became illiquid.

On August 16, 2007, a consortium representing banks, assets providers and major investors agreed in principle to a long-term proposal and interim agreement regarding the ABCP (commonly referred to as the "Montreal Accord"). Certain signatories of the Montreal Accord joined with other investors to form the Pan Canadian Investors Committee ("the Committee") to oversee an orderly restructuring of the non-bank sponsored ABCP.

On January 21, 2009 the Committee announced that the non-bank sponsored ABCP restructuring plan had been implemented. Pursuant to the terms of the plan, holders of non-bank sponsored ABCP exchanged their short-term notes for cash and floating rate notes with a maturity similar to that of the underlying assets. The restructuring plan also established an initial 18 month moratorium period during which no additional collateral calls may be made for most of the underlying credit default swaps and the restructuring plan reduced the likelihood of additional collateral calls by widening certain "spread-loss" triggers and adding traditional assets as collateral.

The following summarizes the carrying value of the ABCP immediately prior to the exchange on January 21, 2009:

	January 21, 2009			
	(thousands of dollars)			
	Face Value	2008 Valuation Adjustment	2009 Valuation Adjustment	Carrying Value
Asset-backed commercial paper	$ 36,307	$ 6,159	$ 4,638	$ 25,510

The 2008 total valuation adjustment was $6,201,000 comprised of two parts: $6,159,000 relating to adjustment of the face value of the ABCP and $42,000 relating to accrued interest. Valuation adjustments were charged to investment and interest revenue.

The Government's non-bank sponsored ABCP did not trade in an active market between August 2007 and January 2009 therefore no market quote is available. While the Government expects to receive the full value of its $36.3 million original investments at maturity plus interest, as required by Canadian generally accepted accounting principles when there is no active market, the Government estimated the carrying value of its ABCP holdings at January 21, 2009, using a probability-weighted discounted cash flow valuation technique. The valuation technique takes into consideration the specific attributes of each class of note and general market observations including available information relating to the expected risk and return profile of the notes in comparison to market returns.

The Government used the following expected rates and discount factors immediately before the restructuring on January 21, 2009:

Weighted average interest rate	1.56%
Weighted average discount rate	8.72%

The most important estimates in determining the carrying value of ABCP are the discount rate and coupon interest rates estimated for the MAV II notes. A 1% increase in the weighted average discount rate would result in a decrease in the estimate carrying value of ABCP held by approximately $1.3 million while a 1% increase in the weighted average interest rate would result in an increase in the estimated carrying value of approximately $0.4 million.

On the exchange date of January 21, 2009, the Government received Master Asset Vehicle (MAV) II notes with a face value of $36.3 million and a fair value of $23.9 million. No gain or loss on exchange was recognized because the total of the fair value of the MAV II notes and accumulated cash payable from original trusts of $1.6 million was equal to the carrying value of the ABCP investments as shown in the following:

	January 21, 2009 (thousands of dollars)
Fair value of MAV II notes received	$ 23,888
Accumulated cash payable from original trusts	1,622
Net proceeds on exchange	25,510
Carrying value of ABCP investments exchanged	25,510
Gain/(loss) on exchange	$ -

As the Government's investments in MAV II notes are not current in nature, these investments are classified as portfolio investments. The investments are recorded at a discount to their face value. This discount will be eliminated over time as the investments move closer to their maturity dates. During the period January 21 to March 31, 2009, $226,000 of discount was eliminated resulting in a March 31, 2009 carrying value of $24,114,000. The $226,000 eliminated discount was recognized as current year revenue from portfolio investments.

The Government holds the following investments in MAV II notes as at March 31, 2009:

	March 31, 2009 Face Value	March 31, 2009 Carrying Value
	(thousands of dollars)	
Master Asset Vehicle (MAV) II Class A-1 Notes	$ 15,777	$ 11,421
MAV II Class A-2 Notes	16,455	11,516
MAV II Class B Notes	2,986	1,098
MAV II Class C Notes	1,089	79
	$ 36,307	$ 24,114

Generally all notes are expected to be repaid on January 22, 2017 except for Class A-1 notes that are expected to start returning principal beginning in 2013 as the underlying assets mature. Class A-1 and A-2 notes will pay quarterly interest at a rate equivalent to a banker's acceptance rate minus 0.50%. Class B notes will accrue interest at the same rate as A-1 and A-2 notes but will not pay the interest until maturity, and after the principal and interest on Class A-1 and A-2 notes have been fully paid. Class C notes will accrue interest at a banker's acceptance rate plus 20% but not pay the interest until maturity and after the principal and interest on Class B notes have been fully paid. All notes are backed by a combination of structured and traditional assets. Class A-1 and A-2 notes, which are approximately 89 percent of the restructured notes, have been assigned a rating of "A" by DBRS Limited. Class B and C notes are unrated.

The Government continues to maintain a strong cash position. The liquidity issues in the ABCP market have not had an impact on the Government's operations.

9. Loans receivable

	2009	2008 (Restated – Note 3)
	(thousands of dollars)	
Yukon Housing Corporation mortgages receivable, secured by registered charges against real property, chattel mortgages and general security agreements, due in varying annual amounts to the year 2024 bearing interest rates ranging from 0% to 7.25%, net of allowance for doubtful accounts of $1,784,000 (2008 - $1,396,000)	$ 42,789	$ 32,856
Agreements for sale of land, due in varying annual amounts over a three or five year term to the year 2014 bearing interest rates ranging from 4.25% to 7.30%	11,925	9,471
Debenture loans to municipalities, due in varying annual amounts to the year 2030, bearing interest rates ranging from 4.00% to 9.25%	4,011	4,163
Local improvement loans, due in varying annual amounts to the year 2036, bearing interest rates ranging from 1.75% to 8.21%	3,723	3,473
Business development assistance loans, secured by registered charges against real property, chattel mortgages and general security agreements, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.00% to 12.00%, net of allowance for doubtful accounts of $1,545,000 (2008 - $1,545,000)	178	273
Other, net of allowance for doubtful accounts of $360,000 (2008 - $360,000)	1,587	1,296
	$ 64,213	$ 51,532

10. Inventories held for sale

	2009	2008
	(thousands of dollars)	
Land held for sale		
Raw land	$ 465	$ 45
Land under development	4,379	1,732
Developed land	959	4,669
	5,803	6,446
Other	1,097	236
	$ 6,900	$ 6,682

11. Investment in government business enterprises

(a) Summary financial statements

Summary financial statements of the government entities accounted for by the modified equity method are provided below. The Yukon Development Corporation and the Yukon Government Fund Limited have a fiscal year-end of December 31. The Yukon Liquor Corporation has a fiscal year-end of March 31.

	Yukon Development Corporation	Yukon Government Fund Limited	Yukon Liquor Corporation	2009 Total	2008 Total
			(thousands of dollars)		
Balance Sheet					
Assets					
Current	$ 8,389	$ -	$ 5,443	$ 13,832	$ 18,507
Capital assets	190,157	-	1,571	191,728	160,528
Other	31,809	-	-	31,809	14,358
	$ 230,355	$ -	$ 7,014	$ 237,369	$ 193,393
Liabilities					
Current	$ 6,919	$ -	$ 4,557	$ 11,476	$ 10,525
Long-term debt	32,743	-	-	32,743	18,703
Other	48,492	-	886	49,378	20,855
Equity	142,201	-	1,571	143,772	143,310
	$ 230,355	$ -	$ 7,014	$ 237,369	$ 193,393
Statement of Operations and Equity					
Revenues	$ 30,493	$ -	$ 15,088	$ 45,581	$ 42,927
Expenses	29,732	7	8,310	38,049	31,226
Surplus	761	(7)	6,778	7,532	11,701
Remitted to the Government	-	(41)	(7,029)	(7,070)	(7,674)
Equity, beginning of year	141,440	48	1,822	143,310	139,283
Equity, end of year	$ 142,201	$ -	$ 1,571	$ 143,772	$ 143,310

Equity represents the Government's investment in the government business enterprises.

The Yukon Government Fund Limited was dissolved effective December 29, 2008.

(b) Inter-entity balances and transactions

	Yukon Development Corporation	Yukon Government Fund Limited	Yukon Liquor Corporation	2009 Total	2008 Total
			(thousands of dollars)		
Government of Yukon:					
Accounts receivable from	$ 182	$ -	$ 2,782	$ 2,964	$ 3,156
Accounts payable to	927	-	15	942	1,392
Long-term obligations to	1,887	-	-	1,887	2,556
Revenues from	277	41	8,222	8,540	9,372
Expenses to	20,305	-	-	20,305	9,217

(c) Commitment

Mayo B project – Yukon Development Corporation

In February 2009, the Yukon Energy Corporation, the wholly-owned subsidiary of the Yukon Development Corporation, filed an application for a project to expand the existing Mayo hydro plant (Mayo B project) to the Yukon Environmental and Socio-Economic Assessment Board. The Mayo B project involves building a new powerhouse about three kilometers downstream from the existing powerhouse with the expectation of doubling the amount of energy that can be generated from the Mayo River. A major part of the Mayo B project would be the construction of a mechanism to divert water from the existing intake to a new powerhouse.

In May 2009, the Government of Canada announced it would provide up to $71 million for the Mayo B project and for completion of the Carmacks-Stewart transmission line under its newly announced $1 billion Green Infrastructure Fund. The Government of Yukon has also announced its support for this project. The total estimated cost of the Mayo B project is $160 million.

12. Accounts payable and accrued liabilities

	2009	2008
		(Restated – Note 3)
	(thousands of dollars)	
Accrued liabilities	$ 44,612	$ 38,130
Accounts payable	27,284	29,590
Contractors' holdbacks and security deposits	5,125	6,189
Due to Territorial corporations	1,732	1,619
	$ 78,753	$ 75,528

13. Unearned revenues

	2009	2008 (Restated – Note 3)
	(thousands of dollars)	
Unspent transfer payments from Government of Canada	$ 20,017	$ 327
Motor vehicle fees for future years	2,064	2,189
Other	2,977	2,515
	$ 25,058	$ 5,031

14. Post-employment benefits

	2009	2008 (Restated – Note 3)
	(thousands of dollars)	
Severance benefits	$ 45,930	$ 45,758
Sick leave obligation	19,472	16,129
Vacation leave obligation	16,158	14,468
Accrued benefit obligation	81,560	76,355
Unrecognized net actuarial loss	(16,977)	(16,670)
Accrued benefit liability	$ 64,583	$ 59,685

Severance benefits are paid on termination of service or upon retirement.

If an employee has at least five years of continuous service, a cash-in of sick leave will be paid on termination of service or upon retirement. The cash-in amount is calculated as 1/3 of unused sick leave credits to a maximum of 60 days multiplied by the daily pay rate at termination or retirement.

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. In projecting the accrued obligation for these benefits as at March 31, 2009, the Government assumed a discount rate of 5.75% and general salary increases of 2.5%. The net actuarial loss is amortized over the expected average remaining service life of the active employees of 10.4 years.

Expenses related to post-employment benefits for the year ended March 31, 2009 were $12,290,000 (2008 - $12,028,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to $7,393,000 (2008 - $6,504,000). Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

15. Retirement benefits

(a) Public Service Pension Plan

The employees of the Yukon Government and the Yukon Housing Corporation participate in the Public Service Pension Plan administered by the Government of Canada. In this plan, employees accumulate pension benefits up to a maximum period of 35 years at 2% per year of pensionable service based on the average of their five consecutive years of highest paid services. Until December 2008, the Government contributed $2.02 for every dollar contributed by the employee, and $7.30 for every dollar contributed by the employee for the portion of the employee's salary above $130,700. Effective January 1, 2009, the Government contributes $1.91 for every dollar contributed by the employee, and $7.50 for every dollar contributed by the employee for the portion of the employee's salary above $136,700. The Government's contributions to the Public Service Pension Plan during the year and recorded as expenses were $28,666,000 (2008 - $26,726,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. These benefits are based on service and/or earnings. The Members' Services Board of the Legislative Assembly is responsible, pursuant to the *Legislative Assembly Retirement Allowances Act* (Yukon), for the administration of the Plan.

The funds are held by an investment manager in two different accounts. The first account holds the assets of the trust fund for the registered pension plan established pursuant to Parts 1 and 2 of the *Legislative Assembly Retirement Allowances Act.* The second account holds the assets of the Government, from which benefits under Part 3 of the *Legislative Assembly Retirement Allowances Act* are paid. It is the Government's policy to fully fund Parts 1 and 2 of this pension plan.

The *Legislative Assembly Retirement Allowances Act* stipulates that actuarial valuations for funding purposes must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. The assumptions used in a valuation for funding purposes are based on the actuary's best estimates with margins for conservatism. The accrued benefit obligation as at March 31, 2009 is based on an extrapolation of an actuarial valuation for funding purposes conducted as at March 31, 2008 using best estimate assumptions accepted by the Members' Services Board of the Legislative Assembly.

(c) Territorial Court Judiciary Pension Plan

The Territorial Court Judiciary Pension Plan is comprised of a judiciary registered pension plan, a judiciary retirement compensation arrangement and a supplementary judiciary pension plan. In addition to pension payments, these plans also contain a provision for payment of lump sum death and severance allowances. The Plan is administered by the Public Service Commissioner in the meaning assigned by the *Public Service Act* (Yukon).

The judiciary registered pension plan is a contributory defined benefit pension plan. In this plan, benefits are accumulated at an annual amount of 2% multiplied by the number of years of credited service multiplied by the annual average of the member's highest five consecutive years of earnings. A member's credited service is limited to a maximum of 35 years. The judiciary retirement compensation arrangement was established for the purpose of providing benefits to members with respect to pensionable service earnings that are in excess of the maximum pension limits of the judiciary registered pension plan as required by the *Income Tax Act* (Canada). Pursuant to the *Territorial Court Judiciary Pension Plan Act* (Yukon), the pension fund assets for these two plans are held separate and distinct from the Government's operations, and are managed by an investment manager.

The supplementary judiciary pension plan is supplemental to benefits provided under the judiciary registered pension plan and the judiciary retirement compensation arrangement. The *Territorial Court Judiciary Pension Plan Act* (Yukon) stipulates that no contributions are to be made to this plan, and no fund is to be maintained for the plan. In this plan, the annual amount of pension payable to a member equals 3% of the average annualized pensionable earnings of a member over the 24 months during which pensionable earnings are highest multiplied by the number of years of credited service, subject to a maximum of 70% of those earnings, minus actual benefits accumulated under the judiciary registered pension plan and the judiciary retirement compensation arrangement.

Actuarial valuations for the Plan for accounting and funding purposes were conducted using the membership data as at March 31, 2008.

(d) Yukon College Employees' Pension Plan

The Yukon College Employee's Pension Plan is a contributory defined benefit pension plan. The College's pension plan provides for defined retirement benefits based on an employee's years of service and average final earnings. For any unfunded pension liability, the College is contributing the balance of the costs of the plan as determined by the actuary. The College has contracted with external organizations to provide the services of trustee, administrator, and investment manager for the pension plan.

The College's pension information included in these consolidated financial statements is based on the measurement date of June 30, 2008. An actuarial valuation for accounting purposes was performed as of June 30, 2008. The next actuarial valuation for accounting purposes will be performed as of June 30, 2009. An actuarial valuation for funding purposes was performed as of June 30, 2007, which established Yukon College's required contributions as 246% of employee contributions. The next actuarial valuation for funding purposes will be performed as of June 30, 2010.

The Government has provided a funding commitment to the College to cover increased pension costs up to 2016 to a maximum of $3,190,000.

(e) Yukon Hospital Corporation Employees' Pension Plan

The Yukon Hospital Corporation Employees' Pension Plan is a contributory defined benefit pension plan, which provides defined retirement benefits based on the length of service and final average earnings of an employee, and is administered by the Corporation's Board of Trustees. A separate pension fund is maintained to hold plan assets. The Yukon Hospital Corporation has contracted with external organizations to provide trustee and investment management services for the fund.

The Yukon Hospital Corporation adopted a measurement date of December 31 in respect of its pension obligations. Consequently, both benefit obligations and plan assets are measured as of December 31 for presentation in the financial statements as of March 31. An actuarial valuation for accounting purposes was performed as of December 31, 2008. The funded status of the pension plan, which was a deficit of $3.2 million, presented in these financial statements has been determined on the basis that the pension plan remains a going-concern. The pension plan had a deficit of $6.5 million if valued on the basis that the pension plan were terminated as at December 31, 2008.

The solvency ratio of the plan is 86%. Since it is less than 100%, to be in accordance with the *Federal Pension Benefits Standards Act* and Regulations, the Corporation is required to make special payments to eliminate the solvency shortfall. The payments have been actuarially determined. During the fiscal year 2008/2009, the Corporation contributed $3,879,000 to the plan, of which $1,872,000 related to solvency deficiency payments for 2008. The Government contributed $1,870,000 to fund these payments. It is projected that the Corporation would need to pay for the pension deficit over the next five years totalling $4.8 million. The Government has provided a funding commitment to the Corporation to cover these payments totalling $2.5 million over the next two fiscal years.

(f) Extended health care and life insurance retirement benefits

The Government provides optional extended health care benefits to retired employees as well as life insurance coverage to eligible retirees. They are both defined benefit plans. The extended health care plan is self-insured. An actuarial valuation of these benefits was conducted as of April 1, 2007. Extended health care and life insurance retirement benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Effective May 1, 2008, the Government made the following changes to the plans for new retirees:

- reduced the amount of life insurance after the third year following retirement from 25% of final salary to $25,000; and
- changed the level of its contributions for the extended health benefit costs as indicated in the tables below.

Years of Service	Government Contribution of Benefit Costs
Less than 10 years (previously less than 5 years)	0%
10 years, but less than 15 years (previously 5 years, but less than 10 years)	15%
15 years, but less than 20 years (previously 10 years, but less than 15 years)	35%
20 years, but less than 25 years (previously 15 years, but less than 20 years)	50%
25 or more years (previously 20 or more years)	65%

These changes resulted in a reduction in the accrued benefit obligation as at April 1, 2008 by $6,176,000. The Government recognized the reduction in the accrued benefit obligation as a negative past service cost in the fiscal year 2008/2009.

Further details as at March 31, 2008 on the accrued benefit obligation, plan assets, accrued benefit liability/asset, benefit cost and assumptions used for the above retirement benefits are provided in Schedule D. The retirement benefits liability recorded in the Government's consolidated financial statements is as follows:

	2009	2008
	(thousands of dollars)	
Accrued benefit liability (asset) (Schedule D)		
Extended health care retirement benefit	$ 23,364	$ 27,029
Territorial Court Judiciary Pension Plan	3,742	3,329
Life insurance retirement benefit	1,083	1,214
Legislative Assembly Retirement Allowances Plan	(1,581)	(2,584)
Yukon Hospital Corporation Employees' Pension Plan	(4,763)	(3,051)
Yukon College Employees' Pension Plan	(5,943)	(5,350)
	$ 15,902	$ 20,587

16. **Long-term debt**

	2009	2008
	(thousands of dollars)	
Mortgages, with a variety of terms, secured by fixed charges against housing projects, repayable in blended monthly payments with maturities up to the year 2029, bearing fixed interest rates ranging from 4.3% to 12.5%.	$ 14,598	$ 15,680
Canada Mortgage and Housing Corporation loans, repayable in blended annual payments with maturities up to the year 2028, bearing fixed interest rates ranging from 5.0% to 13.5%.	3,228	3,504
Flexible term note payable to the Yukon Development Corporation, bearing interest rate at 7.5% repayable in annual instalments, based on the annual energy savings realized, secured by a general security agreement on building improvements with a net book value of $417,000 (2008 - $447,000).	278	351
	$ 18,104	$ 19,535

Principal repayment requirements over the next five years on outstanding long-term debt are as follows:

	(thousands of dollars)
2010	$ 1,529
2011	1,634
2012	1,672
2013	1,707
2014	1,769
Thereafter	9,793
	$ 18,104

Debt authority

The Government of Canada, pursuant to subsection 23(2) of the *Yukon Act* (Canada), has approved the Government borrowing up to $138 million.

	2009	2008
	(thousands of dollars)	
Debt of the consolidated entities:		
Government business enterprises		
Yukon Development Corporation, long-term debt	$ 32,743	$ 18,703
Fully consolidated entities		
Yukon Housing Corporation, mortgages payable	14,598	15,680
Yukon Housing Corporation, CMHC loans	3,228	3,504
	17,826	19,184
Total debt	50,569	37,887
Credit facilities	28,500	21,000
Authorized borrowing limit	138,000	138,000
Available borrowing capacity	$ 58,931	$ 79,113

17. Capital lease obligations

	2009	2008
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2013, with imputed interest rate of 13.5%.	$ 1,930	$ 2,292
Building lease obligation payable monthly until the year 2012, with imputed interest rate of 11.0%. The building is to be transferred to the Government for $1.00 at the end of the lease term.	1,609	2,181
Building lease obligation payable monthly until the year 2010, with imputed interest rate of 13.3%.	340	511
	$ 3,879	$ 4,984

Interest expense related to capital lease obligations for the year was $546,000 (2008- $672,000) at an imputed average interest rate of 12.6% (2008 – 12.6%).

The following is a schedule of future minimum lease payments under the capital lease obligations.

	(thousands of dollars)
2010	$ 2,164
2011	2,043
2012	1,273
2013	755
Total minimum lease payments	6,235
Less: amount representing executory costs	(1,263)
amount representing rental of land	(319)
amount representing interest	(774)
	$ 3,879

18. Financial instruments

The balances in cash and cash equivalents, temporary investments, due to/from Government of Canada, accounts receivable, and accounts payable and accrued liabilities are non-interest bearing and have fair values that approximate their carrying amount due to their short term to maturity.

The fair value and the methods of calculation and assumptions used for the Government's long-term financial instruments are detailed below:

	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
			(Restated – Note 3)	
	(thousands of dollars)			
Portfolio investments	$ 24,114	$ 21,960	$ -	$ -
Long-term investments, net of valuation adjustment	$ -	$ -	$ 30,148	$ 27,896
Loans receivable				
Mortgages receivable, net of valuation allowance	$ 42,789	$ 29,721	$ 32,856	$ 31,260
Other loans receivable, net of valuation allowance	21,424	21,524	18,676	18,625
	$ 64,213	$ 51,245	$ 51,532	$ 49,885
Long-term debt				
Mortgages payable	$ 14,598	$ 15,013	$ 15,680	$ 15,659
CMHC loans	3,228	3,674	3,504	3,883
Other	278	374	351	412
	$ 18,104	$ 19,061	$ 19,535	$ 19,954

The estimated fair value for portfolio and long-term investments is calculated using a probability-weighted discounted cash flow valuation technique. The valuation technique takes into consideration the specific attributes of each class of note and general market observations including available information relating to the expected risk and return profile of the notes in comparison to market returns.

The portfolio investments are not current in nature and therefore are recorded at a discount to their face value. This discount will be eliminated over time as the investments move closer to their maturity dates. During the period January 21 to March 31, 2009, $226,000 of discount was eliminated resulting in a March 31, 2009 carrying value of $24,114,000.

Since the above valuation approach and assumptions are based on market information available at March 31, 2009, the fair value of portfolio investments may change materially in future periods as a result of fluctuations in the major elements of the valuation methodology. These changes are, however, not expected to result in a significant impact on the Government's future operations.

The estimated fair values of mortgages receivable were determined using the present value of future cash flows discounted at the March 31, 2009 average market rate for mortgages and loans with similar maturities. Until settled, the fair value of mortgages will fluctuate based on changes in interest rates. The Government believes that unrealized losses are short term in nature and the carrying amount of mortgages will be fully recovered.

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of other loans receivable due to the nature of these loans. The carrying value of these loans receivable should not be seen as the realizable value on immediate settlement of the loans due to the uncertainty associated with such a settlement.

The estimated fair value for long-term debt is calculated by discounting the expected future cash flows at year-end market interest rates for equivalent terms to maturity.

19. Tangible capital assets

	2009 Net Book Value	2008 Net Book Value (Restated – Note 3)
	(thousands of dollars)	
Land	$ 9,211	$ 8,515
Buildings	307,165	307,171
Equipment and vehicles	35,553	33,184
Computer hardware and software	11,929	10,529
Transportation infrastructure	593,856	570,461
Other	20,328	17,885
(Schedule C)	$ 978,042	$ 947,745

The Government owns and/or maintains various historical sites. The Government also holds works of art with a total estimated value of $4.9 million (2008 - $4.3 million).

Leased capital assets are reported as part of the respective asset category. These leased assets are amortized on a straight-line basis over the lease term or estimated economic life. The amortization expense for the year was $635,000 (2008 - $635,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	2009	2008
	(thousands of dollars)	
Buildings (cost)	$ 8,820	$ 8,820
Less accumulated amortization	(3,809)	(3,174)
	$ 5,011	$ 5,646

No interest was capitalized during the year.

20. Deferred capital contributions

Where the fair value has been capitalized for tangible capital assets that were transferred from a third party such as the Government of Canada, an offset is recorded as a deferred capital contribution. Funding received from a third party for the acquisition, development, construction or betterment of tangible capital assets is also treated as a deferred capital contribution. The most significant of these assets are highways, bridges and airport infrastructure. The deferred capital contribution is recognized as revenue over the useful life of the related asset.

	2009	2008 (Restated – Note 3)
	(thousands of dollars)	
Deferred capital contributions, beginning of year	$ 506,365	$ 486,546
Add: Assets transferred or funded during the year	41,682	34,019
Less: Amortization	(16,134)	(14,184)
Write-down	4	(16)
Deferred capital contributions, end of year (Schedule C)	$ 531,917	$ 506,365

21. Expenses by object

	2009	2008 (Restated – Note 3)
	(thousands of dollars)	
Personnel	$ 379,906	$ 342,222
Transfer payments	140,623	137,959
Contract and special services	131,066	114,280
Materials, supplies and utilities	86,043	89,988
Amortization expenses	39,852	38,694
Communication and transportation	28,495	25,608
Interest on long-term debt and capital lease obligations	2,040	2,360
Other	29,554	34,522
	$ 837,579	$ 785,633

22. Trust assets

The Government administers trust accounts on behalf of third parties which are not included in the Government's assets.

The largest such trust account, the Compensation Fund (Yukon) has a fiscal year-end of December 31. Details of the assets of the Compensation Fund (Yukon), principally investments, are available from its financial statements, which are reproduced in Section III of the Public Accounts of the Government. The remaining trust assets are invested primarily in long-term bonds, bankers' acceptances, bearer's deposit notes and the Government of Canada treasury bills.

Investments are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash.

	2009	2008
	(thousands of dollars)	
Compensation Fund (Yukon)	$ 129,219	$ 144,590
Federal Gas Tax Funds under the New Deal	13,963	10,736
Forest Sector Fund	5,175	5,028
Crime Prevention and Victim Services	3,498	2,953
Land Title Office – Assurance Fund	3,349	3,135
Lottery Commission	2,838	2,984
Water Resources Bonds	2,516	2,583
Historic Resources Trust Fund	1,230	1,230
Other	3,287	2,871
	$ 165,075	$ 176,110

23. Contractual obligations

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2009:

	Expiry Date	2010	2011 – 2025	Total
			(thousands of dollars)	
Capital projects				
- in progress at March 31, 2009	2025	$ 50,247	$ 11,599	$ 61,846
(recoverable amount)		(33,977)	(4,523)	(38,500)
RCMP policing agreement	2012	17,834	37,289	55,123
Mobile radio network system	2025	1,744	50,256	52,000
Faro mine site	2012	6,988	14,612	21,600
(recoverable amount)		(6,988)	(14,612)	(21,600)
Building/office space leases	2016	8,565	9,422	17,987
Mobile communications system	2010	9,462	-	9,462
Medivac services	2010	5,447	-	5,447
Miscellaneous operational commitments	2014	11,553	5,764	17,317
		$ 70,875	$ 109,807	$ 180,682

24. Overexpenditure

During the year, three (2008 – none) departments exceeded their vote with a total of $1,973,000 (2008 - $0). Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that "a vote does not authorize any payment to be made in excess of the amount specified in the vote".

The votes that were overexpended are as follows:

	(thousands of dollars)
Operations and maintenance	
Health and Social Services	$ 1,415
Environment	150
Capital	
Justice	408

The *Appropriation Acts* (Yukon) state that the Government is not to expend grant payments except in accordance with the Act. During the year, two (2008 – one) departments exceeded the authorized amounts as follows:

Operations and maintenance grants	
Health and Social Services	
- Child care subsidies	38
- Pioneer utility grant	28
- Adoption subsidies	19
Education	
- Student accommodation (boarding subsidy)	2

25. Guarantees

The Government has guaranteed repayment of loans payable by the Yukon Energy Corporation, the wholly-owned subsidiary of the Yukon Development Corporation, of $7.0 million (2008 - $7.6 million). At March 31, 2009, on a consolidated basis, the Yukon Development Corporation had total debts of $32.7 million (2008 - $18.7 million) and a credit facility of up to $17.5 million. While the Government has not issued guarantees for all of these instruments, as the Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government. It is expected that no significant costs will be incurred by the Government with respect to these guarantees and debts.

26. Land claims

Between February 1995 and March 31, 2009, eleven Yukon First Nation Final and Self-government Agreements came into effect. The Government of Canada's negotiating mandate expired prior to the completion of the remaining three Yukon agreements. Settlements for these outstanding claims would not result in a general liability to the Government as they are to be funded by the Government of Canada. The Government would, however, be responsible for any financial obligations it might agree to during the negotiations.

The Government signed a bilateral funding agreement with the Government of Canada on June 24, 1993 that provides for funding towards the Government's additional implementation costs. Costs funded by this agreement include boards and councils established under the Yukon First Nation Final Agreements and implementation projects and activities. In 2003/2004 the bilateral funding agreement was amended to include the federal Northern Affairs Program implementation funding and the council and commission funding that came to Yukon as part of the Northern Affairs Program Devolution Transfer Agreement.

The Government incurred expenses of $5.0 million during the year (2008 - $5.3 million) with cumulative expenditures of approximately $55.2 million (2008 - $50.1 million), of which $55.1 million (2008 - $49.6 million) was funded by the Government of Canada.

27. Contingencies

In the normal course of operations, the Government is subject to legal claims. At March 31, 2009 the Government estimated the total claimed amount to be about $3.1 million (2008 - $4.0 million). No provision for claims has been made in these financial statements as it is not likely that any future event will confirm that a liability has been incurred at the date of the financial statements.

The Government established a Risk Management Revolving Fund in December 2004, with a limit of $5 million, which is to be used for providing insurance and risk management services to Government departments. Any expenses relating to property and liability losses incurred by the Government are to be paid out of this fund. The Government carries no insurance policy for its property losses, but carries a legal liability insurance policy with a $2 million deductible. The Government had unpaid claims against the fund in the amount of $1,133,000 as at March 31, 2009 (2008 - $863,000). This amount is reported as part of the Government's accrued liabilities. The fund balance as at March 31, 2009 was $3.9 million (2008 - $3.9 million).

28. Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible.

The *Environment Act* (Yukon) – *Solid Waste Regulations* include requirements for closure and abandonment of a dump. There are 23 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2009, a liability in the amount of $535,000 (2008 - $535,000) has been recorded for these sites using the method recommended by the Canadian Institute of Chartered Accountants' Public Sector Accounting Board.

In addition to the above landfill sites, as at March 31, 2009, the Government was aware of 38 sites where the Government is obligated or is likely obligated to incur such costs. Of the 38 sites, 9 are airports and 21 are highway maintenance camps, the majority of which are awaiting assessment. Quantifiable portions of remediation costs for some of the sites that are known to be contaminated are currently estimated at $6,789,000 (2008 - $3,832,000), which has been recorded as a liability and reported as part of accrued liabilities. As estimates are based on the information available as of the financial statement date, those amounts could result in material changes from one year to the next. The Government estimates the contingent environmental liabilities for the sites that are awaiting assessments to be another $2.1 million (2008 - $3.8 million). The Government is committed to assess all sites in a systematic manner.

One site on the Commissioner's Land has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. The Government is not a Responsible Party for this site. The Government of Canada was the landowner when the contamination occurred. The Government has secured the site to contain the contamination and is currently negotiating with the Government of Canada regarding potential plans to proceed with additional assessment and remediation. There may be a financial implication to the Government depending on the outcome of the negotiations.

Pursuant to the Devolution Transfer Agreement, the Government of Canada retained responsibility for the clean-up of waste sites that were identified on lands transferred effective April 1, 2003. The Government of Canada also accepted financial responsibility for the remediation of impacts attributable to activities that took place prior to April 2003 on the mine sites identified as Type II sites, where they have been abandoned by their owner/operator. The Government is not aware of any financial obligations in relation to these mine sites.

29. Related parties

Related party transactions not disclosed elsewhere in the financial statements are as follows:

	2009	2008
	(thousands of dollars)	
Transfer payments		
Yukon Legal Services Society	$ 1,766	$ 1,510
Yukon Arts Centre Corporation	904	821
Yukon Human Rights Commission	479	595
	$ 3,149	$ 2,926

30. Comparative figures

Certain comparative figures for 2008 have been reclassified to conform with the 2009 presentation.

GOVERNMENT OF YUKON

Schedule A

Consolidated Schedule of Revenues by Source for the year ended March 31, 2009

	2009		2008
	Budget (Note 1(b))	Actual	Actual (Restated - Note 3)
		(thousands of dollars)	
From Government of Canada			
Formula Financing grant	$ 564,032	$ 564,032	$ 543,595
Other grants	68,026	49,168	53,352
Contributions and service agreements	50,964	69,275	52,554
	683,022	682,475	649,501
Taxes and general revenues			
Income taxes	52,581	66,340	57,358
Other taxes	25,332	25,424	21,821
Licences, permits and fees	8,988	11,016	11,110
Investment and interest revenue	6,910	3,681	7,093
Gain on sale of lots	146	1,467	415
Oil and gas resource revenue	416	1,193	1,163
Aviation operations	793	860	888
Fines	408	306	384
Income from portfolio investments	-	266	-
Other revenues	3,270	516	4,591
	98,844	111,069	104,823
Income from investment in government business enterprises			
Yukon Liquor Corporation	6,122	6,777	6,161
Yukon Development Corporation	-	762	5,500
Yukon Government Fund Limited	-	(48)	(1,244)
	6,122	7,491	10,417
Funding and service agreements with other parties	27,363	26,727	21,562
Amortization of deferred capital contributions	15,304	16,134	14,184
	$ 830,655	**$ 843,896**	**$ 800,487**

GOVERNMENT OF YUKON

Schedule B

Consolidated Schedule of Operations by Sector for the year ended March 31, 2009

(Restated - Note 3)
(thousands of dollars)

	Health and Social Services		Community and Transportation		Education		General Government [1]		Natural Resources	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenues										
Formula financing grant	$ -	$ -	$ -	$ -	$ -	$ -	$ 564,032	$ 543,595	$ -	$ -
Other transfers from Government of Canada	26,621	22,630	9,212	11,183	6,350	6,267	62,882	52,603	10,702	10,435
Taxes and general revenues	2,284	4,411	13,550	13,372	1,524	2,121	89,216	81,259	5,942	5,019
Funding and service agreements	6,955	6,478	15,198	11,781	9,021	6,268	1,665	1,047	838	842
Amortization of deferred capital contributions	2,266	1,526	13,415	12,125	197	196	331	387	13	38
Income from investment in government business enterprises	-	-	-	-	-	-	7,491	10,417	-	-
	38,126	35,045	51,375	48,461	17,092	14,852	725,617	689,308	17,495	16,334
Expenses										
Personnel	95,005	87,792	50,063	47,645	93,459	91,301	72,362	50,472	36,259	34,715
Other	85,627	83,213	64,035	59,151	27,686	34,496	43,413	34,421	24,424	23,028
Transfer payments	87,960	70,810	60,369	41,137	30,267	29,135	7,782	32,609	7,184	6,649
Amortization expenses	5,261	4,328	23,401	23,190	6,043	6,168	3,330	3,417	343	275
Interest on long-term debt and capital lease obligations	30	30	1,464	1,581	-	-	546	749	-	-
	273,883	246,173	199,332	172,704	157,455	161,100	127,433	121,668	68,210	64,667
Recovery of prior years' expenses	82	543	90	175	1	3	293	92	121	120
Surplus (deficit) for the year	**$ (235,675)**	**$ (210,585)**	**$ (147,867)**	**$ (124,068)**	**$ (140,362)**	**$ (146,245)**	**$ 598,477**	**$ 567,732**	**$ (50,594)**	**$ (48,213)**

[1] Includes the legislature, tax collection and administration, Formula Financing and other grants from the federal government, liquor profits, general administration and central agency services such as building maintenance, Public Service Commission, finance and IT services to all sectors.

Schedule B
Continued

Consolidated Schedule of Operations by Sector
for the year ended March 31, 2009

	Justice		Business, Tourism and Culture		Adjustments [2]		Total	
	2009	2008	2009	2008	2009	2008	2009	2008 (Restated - Note 3)
				(thousands of dollars)				
Revenues								
Formula financing	$ -	$ -	$ -	$ -	$ -	$ -	$ 564,032	$ 543,595
Other transfers from Government of Canada	1,863	2,100	813	688	-		118,443	105,906
Taxes and general revenues	708	715	183	199	(2,338)	(2,273)	111,069	104,823
Funding and service agreements	480	466	351	351	(7,781)	(5,671)	26,727	21,562
Amortization of deferred capital contributions	-	-	-	-	(88)	(88)	16,134	14,184
Income from investment in government business enterprises	-	-	-	-	-	-	7,491	10,417
	3,051	3,281	1,347	1,238	(10,207)	(8,032)	843,896	800,487
Expenses								
Personnel	20,223	18,678	12,535	11,619	-	-	379,906	342,222
Other	22,843	21,500	9,979	11,308	(2,849)	(3,201)	275,158	263,916
Transfer payments	4,350	4,170	11,934	12,856	(69,223)	(58,925)	140,623	138,441
Amortization expenses	821	670	653	646	-	-	39,852	38,694
Interest on long-term debt and capital lease obligations	-	-	-	-	-	-	2,040	2,360
	48,237	45,018	35,101	36,429	(72,072)	(62,126)	837,579	785,633
Recovery of prior years' expenses	43	7	182	250	-	-	812	1,190
Surplus (deficit) for the year	**$ (45,143)**	**$ (41,730)**	**$ (33,572)**	**$ (34,941)**	**$ 61,865**	**$ 54,094**	**$ 7,129**	**$ 16,044**

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[2] To eliminate transactions between sectors.

Schedule C

GOVERNMENT OF YUKON

Consolidated Schedule of Tangible Capital Assets
for the year ended March 31, 2009

	Land	Buildings	Equipment and Vehicles	Computer Hardware and Software	Transportation Infrastructure	Other[1]	2009 Total	2008 Total (Restated - Note 3)
				(thousands of dollars)				
Cost of tangible capital assets, opening restated (Note 3)	$ 8,515	$ 525,931	$ 87,617	$ 33,009	$ 750,313	$ 21,819	$ 1,427,204	$ 1,371,005
Acquisitions	696	15,542	8,409	3,903	39,729	3,017	71,296	59,764
Write-downs	-	-	-	-	-	-	-	(48)
Disposals	-	(3,271)	(3,260)	(352)	-	-	(6,883)	(3,517)
Cost of tangible capital assets, closing	9,211	538,202	92,766	36,560	790,042	24,836	1,491,617	1,427,204
Accumulated amortization, opening restated (Note 3)	-	218,760	54,433	22,480	179,852	3,934	479,459	443,873
Amortization expense	-	14,487	5,954	2,503	16,334	574	39,852	38,694
Disposals	-	(2,210)	(3,174)	(352)	-	-	(5,736)	(3,108)
Accumulated amortization, closing	-	231,037	57,213	24,631	196,186	4,508	513,575	479,459
Net book value (Note 19)	**$ 9,211**	**$ 307,165**	**$ 35,553**	**$ 11,929**	**$ 593,856**	**$ 20,328**	**$ 978,042**	**$ 947,745**
Work-in-progress[2]		$ 15,537	$ -	$ 5,158	$ 36,372	$ 7,295	$ 64,362	$ 76,170
Deferred capital contributions (Note 20)		$ 58,821	$ 6,141	$ 2,259	$ 461,102	$ 3,594	$ 531,917	$ 506,365

[1] Includes portable classrooms, land improvements and fixtures.

[2] Included in net book value.

GOVERNMENT OF YUKON

Schedule D

Consolidated Schedule of Retirement Benefits for the year ended March 31, 2009

							2009	2008
	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit	Yukon College Employees' Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Total	Total
	(thousands of dollars)							
Pension and retirement plan assets are valued at fair market value.								
Accrued benefit obligation								
Obligation at beginning of year	$ 18,988	$ 5,292	$ 26,001	$ 1,421	$ 39,216	$ 44,112	$ 135,030	$ 130,858
Current service costs	1,072	290	1,168	36	3,041	3,052	8,659	7,552
Past service cost	404	227	(5,970)	(206)	-	-	(5,545)	(9,619)
Interest cost on benefit obligation	1,300	370	1,555	82	2,188	2,287	7,782	7,148
Actuarial (gain) loss	(327)	(70)	-	-	(1,290)	(9,982)	(11,669)	3,594
Benefits paid	(773)	(188)	(315)	(70)	(1,898)	(2,020)	(5,264)	(4,503)
Accrued benefit obligation at end of year	$ 20,664	$ 5,921	$ 22,439	$ 1,263	$ 41,257	$ 37,449	$ 128,993	$ 135,030
Plan assets								
Value at beginning of year	$ 24,467	$ 2,907	$ -	$ -	$ 48,418	$ 39,396	$ 115,188	$ 106,025
Actual return on plan assets	(2,708)	203	-	-	(1,660)	(7,039)	(11,204)	6,118
Employer contributions	722	105	315	70	1,711	3,235	6,158	6,166
Member contributions	142	57	-	-	782	840	1,821	1,605
Transfers	(1,025)	-	-	-	-		(1,025)	-
Benefits paid	(773)	(188)	(315)	(70)	(1,898)	(2,020)	(5,264)	(4,503)
Actual plan expenses	-	-	-	-	-	(207)	(207)	(223)
Value at end of year	$ 20,825	$ 3,084	$ -	$ -	$ 47,353	$ 34,205	$ 105,467	$ 115,188
Funded status - plan deficit (surplus)	$ (161)	$ 2,837	$ 22,439	$ 1,263	$ (6,096)	$ 3,244	$ 23,526	$ 19,842
Unrecognized net actuarial gain (loss)	(1,420)	905	925	(180)	395	(5,913)	(5,288)	2,674
Unrecognized past service costs	-	-	-	-	(242)	(591)	(833)	(1,070)
Employer contribution made after measurement date	-	-	-	-	-	(1,503)	(1,503)	(859)
Accrued benefit liability (asset) (Note 15)	$ (1,581)	$ 3,742	$ 23,364	$ 1,083	$ (5,943)	$ (4,763)	$ 15,902	$ 20,587

GOVERNMENT OF YUKON

Schedule D
Continued

Consolidated Schedule of Retirement Benefits
for the year ended March 31, 2009

(thousands of dollars)

							2009	2008
	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit	Yukon College Employees' Pension Plan	Yukon Hospital Corporation Employees' Pension Plan	Total	Total
Net benefit cost								
Current service costs	$ 1,072	$ 290	$ 1,168	$ 36	$ 3,041	$ 3,191 [1]	$ 8,798	$ 7,693
Less: Member contributions	(142)	(57)	-	-	(782)	(840)	(1,821)	(1,605)
Past service cost	404	227	(5,970)	(206)	-	157	(5,388)	(9,462)
Interest cost on benefit obligation	1,300	370	1,555	82	2,188	2,287	7,782	7,148
Expected return on plan assets	(1,593)	(188)	-	-	(3,411)	(2,825)	(8,017)	(7,393)
Amortization of past service costs	-	-	-	-	81	-	81	81
Amortization of net actuarial (gain) loss	(341)	(123)	(103)	27	-	197	(343)	(1,014)
Net cost for the year	$ 700	$ 519	$ (3,350)	$ (61)	$ 1,117	$ 2,167	$ 1,092	$ (4,552)
Assumptions								
Expected long-term rate of return on assets	6.5%	6.5%	N/A	N/A	7.0%	7.0%		
Discount rate on accrued benefit obligation	6.5%	6.5%	5.75%	5.75%	5.75%	6.50%		
Inflation	2.5%	2.5%	N/A	N/A	2.0%	2.5%		
Rate of compensation increase	2.5%	3.0%	N/A	see below [2]	4.25%	3.0%		
Health care cost trend rate	N/A	N/A	see below [3]	N/A	N/A	N/A		
Amortization period (expected average remaining service life)	8.5 years	7.7 years	10.4 years	7.6 years	9.0 years	8.8 years		

[1] Includes $139,000 for provision of administrative expenses.

[2] 1.2% on June 1, 2009. 2.5% per annum thereafter.

[3] 12.0% per annum, grading down annually by 1.4% per annum to 5.0% per annum and remaining at that level therafter.

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PART TWO

NON-CONSOLIDATED FINANCIAL STATEMENTS

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SECTION I

GOVERNMENT OF YUKON

FINANCIAL STATEMENTS

(unaudited)

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GOVERNMENT OF YUKON

Statement of Financial Position
as at March 31, 2009

	2009	2008
		(Restated - Note 3)
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 4)	$ 67,293	$ 33,592
Temporary investments (Note 5)	109,376	118,001
Due from Government of Canada (Note 6)	60,426	62,378
Accounts receivable (Note 7)	15,651	18,072
Portfolio investments (Note 8)	24,114	-
Long-term investments (Note 8)	-	30,148
Advances to Territorial corporations (Note 9)	26,821	27,271
Loans receivable (Note 10)	29,056	20,076
Land held for sale (Note 11)	5,803	6,446
	338,540	315,984
Liabilities		
Due to Government of Canada (Note 6)	17,106	12,515
Accounts payable and accrued liabilities (Note 12)	74,184	72,073
Unearned revenues (Note 13)	22,116	2,548
Post-employment benefits (Note 14)	59,103	54,792
Retirement benefits (Note 15)	26,608	28,988
Capital lease obligations (Note 16)	3,879	4,984
	202,996	175,900
Net financial resources	**135,544**	**140,084**
Non-financial assets		
Tangible capital assets (Note 18)	907,788	878,994
Less deferred capital contributions (Note 19)	(503,640)	(479,127)
Inventories of supplies	5,729	4,353
Prepaid expenses	1,826	1,575
	411,703	405,795
Accumulated surplus	**$ 547,247**	**$ 545,879**

Contingencies, contractual obligations and guarantees
(Notes 22, 24, 25, 26 and 27)

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

Approved:

David Hrycan

David Hrycan, CMA
Deputy Minister of Finance

Dennis Fentie
Minister of Finance

GOVERNMENT OF YUKON

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2009

	2009		2008
	Main Estimates (Note 1(b))	Actual	Actual (Restated - Note 3)
	(thousands of dollars)		
Revenues (Schedule A)			
From Government of Canada			
Formula Financing grant	$ 564,032	$ 564,032	$ 543,595
Other grants	68,026	49,168	53,352
Contributions and service agreements	45,731	62,179	45,232
Taxes and general revenues	97,979	114,348	104,744
Funding and service agreements with other parties	18,142	21,912	17,674
Amortization of deferred capital contributions	14,380	14,755	13,180
	808,290	826,394	777,777
Expenses (Note 20 and Schedule B)	811,669	825,838	769,159
Recovery of prior years' expenses	-	812	1,190
Surplus for the year	$ (3,379)	1,368	9,808
Accumulated surplus at beginning of year, as previously reported		577,209	542,654
Prior year adjustments (Note 3)		(31,330)	(6,583)
Accumulated surplus at beginning of year, restated		545,879	536,071
Accumulated surplus at end of year		$ 547,247	$ 545,879

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF YUKON

Statement of Change in Net Financial Resources for the year ended March 31, 2009

	2009		2008
	Main Estimates (Note 1(b))	Actual	Actual (Restated - Note 3)
	(thousands of dollars)		
Surplus for the year	$ (3,379)	$ 1,368	$ 9,808
Effect of change in tangible capital assets			
Acquisitions	(69,281)	(64,194)	(55,889)
Capital contributions received and deferred	28,295	39,264	34,082
Amortization of tangible capital assets	32,029	34,352	33,019
Amortization of deferred capital contributions	(14,380)	(14,755)	(13,180)
Loss on disposal of tangible capital assets	942	858	91
Proceeds on disposal of tangible capital assets	-	190	234
Write-down of tangible capital assets	-	-	29
Disposal/Write-down of deferred capital contributions	-	4	(16)
	(22,395)	(4,281)	(1,630)
Effect of change in other non-financial assets			
Increase in inventories of supplies	-	(1,376)	(315)
(Increase) decrease in prepaid expenses	-	(251)	175
	-	(1,627)	(140)
(Decrease) increase in net financial resources	**$ (25,774)**	**(4,540)**	**8,038**
Net financial resources at beginning of year, as previously reported		165,084	132,046
Prior year adjustment (Note 3)		(25,000)	-
Net financial resources at beginning of year, restated		140,084	132,046
Net financial resources at end of year		**$ 135,544**	**$ 140,084**

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF YUKON

Statement of Cash Flows
for the year ended March 31, 2009

	2009	2008
	(thousands of dollars)	
Operating transactions		
Cash received from:		
Government of Canada	$ 704,392	$ 636,294
Taxes and general revenues	109,765	98,697
Funding and service agreements with other parties	23,487	17,121
Interest from investments and loans	4,969	9,146
	842,613	761,258
Cash paid for:		
Salary, wages and benefits	330,896	299,154
Transfer payments	209,359	195,416
Other expenses	242,494	241,914
Interest on loans and capital leases	546	853
	783,295	737,337
Cash provided by operating transactions	59,318	23,921
Capital transactions		
Acquisition of tangible capital assets	(63,417)	(56,288)
Contributions received for acquisition	33,332	25,798
Proceeds on sale of tangible capital assets	190	234
Cash used for capital transactions	(29,895)	(30,256)
Investing transactions		
Decrease (increase) in temporary investments	8,625	(118,001)
Decrease (increase) in long-term/portfolio investments	1,622	(36,349)
Investment in land held for sale	(6,627)	(4,438)
Proceeds from sale of land held for sale	1,438	7,815
Repayment of advances from Territorial corporations	450	450
Loans advanced	(1,061)	(795)
Loans repaid	936	1,831
Cash provided by (used for) investing transactions	5,383	(149,487)
Financing transactions		
Repayment of capital lease obligations	(1,105)	(979)
Cash used for financing transactions	(1,105)	(979)
Increase (decrease) in cash and cash equivalents	**33,701**	**(156,801)**
Cash and cash equivalents at beginning of year	33,592	190,393
Cash and cash equivalents at end of year (Note 4)	**$ 67,293**	**$ 33,592**

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

1. Authority and operations

(a) Authority

The Government of Yukon (the Government) operates under the authority of the *Yukon Act* (Canada). All disbursements for operations and loans are authorized by the Yukon Legislative Assembly.

(b) Main Estimates

The Main Estimates comparative figures are from the Main Estimates approved in the Legislative Assembly in 2008. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Legislative Assembly.

(c) Investments

The *Financial Administration Act* (Yukon) allows the Government to invest money from the consolidated revenue fund in the following investments:

- securities that are obligations of, or guaranteed by, the Government of Canada or a province;
- fixed deposits, notes, certificates and other short term paper of, or guaranteed by, a bank including swapped deposit transactions in currency of the United States of America;
- commercial paper issued by a company incorporated under the laws of the Government of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions.

The duration of the securities held depends on cash projections but usually averages under a year in length.

2. Significant accounting policies

(a) Financial statements

These financial statements are prepared on a non-consolidated basis for the purpose of determining the financial resources realistically available to the Government to meet its program responsibilities.

The Government also prepares a set of consolidated financial statements following the recommendations of the Public Sector Accountng Board of the Canadian Institute of Chartered Accountants.

(b) Basis of accounting

Revenues

Revenues are recorded on an accrual basis.

Grants from the Government of Canada are recognized as revenues when entitlement for the transfer occurs. The Government receives a Formula Financing grant from the Government of Canada. For the years 2007/2008 to 2013/2014, the Government of Canada has, under Bill C-52, the *Budget Implementation Act, 2007,* restored the Formula Financing grant to a principle-based arrangement. Health and social transfers are received in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada). Adjustments for health and social transfers are made in the year they are known.

The Government receives funds from the Government of Canada and other sources under various transfers including infrastructure funding, reconstruction of the Alaska Highway, social assistance and occupational training. Revenues are recognized in the year in which the related expenses are incurred. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's Department of Finance's best estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are final. The Government recognizes income tax revenues based on the estimates made by the Government of Canada, adjusted for known factors. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

Fuel and tobacco taxes are levied under the authority of the *Fuel Oil Tax Act* (Yukon) and the *Tobacco Tax Act* (Yukon). Revenues are recognized based on the statements received from collectors and estimates. Adjustments from reassessments are recorded in revenue in the year they are identified.

Expenses

Expenses are recorded on an accrual basis. Transfer payments are recorded as expenses when paid or when the terms of a contractual transfer agreement have been met.

Recovery of prior years' expenses includes reversal of amounts accrued in prior years which are in excess of actual expenses. These amounts cannot be used to increase the amount appropriated for the current year.

Assets

Financial assets

Cash and cash equivalents include cash on hand, balances with banks, funds held in trust accounts on behalf of the Government, and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

Temporary investments include bankers' acceptances, bearer deposit notes and Government of Canada treasury bills with terms of maturity of 90 days or more but less than one year from the date of acquisition. When the market value of temporary investments has declined below the carrying value, they are carried at market value.

Portfolio investments are long-term investments and accounted for by the cost method. Any discount or premium arising on purchase is amortized over the period to maturity, and the carrying value of the investment is adjusted systematically, during the period it is held, toward the amount expected to be realized at maturity. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

Loans receivable are stated at the lower of principal amounts and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable amount, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. The loan receivable is reduced by the amount of a loss when the amount is known with sufficient precision, and there is no realistic prospect of recovery. Interest revenue is recognized on an accrual basis until such time that the collectibility of either principal or interest is not reasonably assured.

Land held for sale comprises the costs of acquiring, planning and developing serviced lots for eventual sale. The lots are valued at cost, except, when there has been a loss in value that is other than a temporary decline, in which case the lots are written down to net recoverable value to recognize the loss. Gains or losses on the sale of lots are recognized at the time of sale.

Non-financial assets

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets.

Inventories of supplies consist primarily of fuel and lubricants, repair parts, stationery and office supplies, and highway materials that are tracked through revolving funds. Inventories are valued at the lower of cost and replacement value. These assets are not held for sale and are intended to be used in providing government services. Other materials and supplies are expensed at the time of acquisition.

Liabilities

Liabilities include financial claims payable by the Government and unearned revenues.

Unearned revenues are cash received for which goods and services have not been by year-end, and are primarily comprised of motor vehicle licence fees for the following fiscal years and transfer payments from the Government of Canada, which have not been yet expended in accordance with funding agreements.

Capital lease obligations are recorded with a corresponding asset at the lower of the present value of the minimum lease payments, excluding the portion relating to executory costs, and the fair value of the asset. The present value is based on the Government's borrowing rate at the time the obligation is incurred.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed.

(c) Tangible capital assets

Tangible capital assets are buildings, roads, equipment, and other items, whose useful life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services. These assets are recorded at cost, or fair value if donated. For certain tangible capital assets that have previously been transferred from the Government of Canada or where the original costs are not readily available, estimated costs have been extrapolated back in time in a systematic and rational manner to approximate the appropriate transfer value of the assets at the time of transfer.

Transferred and cost-shared tangible capital assets are recorded upon acquisition with an offsetting deferred capital contribution that represents the value of the contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service, are amortized on a straight-line basis over their estimated useful life.

The value of works of art, historical treasures, all intangibles and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources are not recorded as tangible capital assets. The existence of historical treasures and the total estimated value of works of art are disclosed in Note 18 of these financial statements.

Tangible capital assets that are held and available for use by the Government are reported based on the following capitalization thresholds and estimated useful lives:

Asset category	Threshold	Estimated useful life
Land	Nil	N/A
Land improvements and fixtures	$50,000	up to 50 years
Buildings	$50,000	40 - 50 years
Portable classrooms/housing trailers	$50,000	20 years
Heavy equipment	$10,000	7 - 30 years
Operating equipment	$10,000	7 - 25 years
Vehicles	$10,000	6 - 20 years
Computer hardware	$10,000	5 years
Computer software	$100,000	7 years
Leasehold improvements	$50,000	Shorter of the lease term or useful economic life
Forestry access roads	$50,000	10 years
Highways	$250,000	30 - 50 years
Pavement	$250,000	26 years
Bridges	$250,000	30 - 50 years
Airport runways	$50,000	26 - 50 years

Tangible capital assets under construction or development are reported as work-in-progress with no amortization until the asset is placed in service.

(d) Post-employment benefits

Post-employment benefits are expected to be provided after employment but before retirement to employees. These benefits include severance benefits, accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. The Government recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these plans is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses.

(e) Retirement benefits

The Government's employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are expensed during the year in which the services are rendered and represent its total pension obligation. The Government is not currently required to make contributions with respect to any actuarial deficiencies of the pension plan. Other retirement benefits include extended health care for retired employees who choose to participate in the plan and a life insurance plan for retirees who meet certain criteria. Liabilities for these benefits are valued on an actuarial basis.

Retirement benefits to Members of the Legislative Assembly and territorial court judges are defined benefit plans and are valued on an actuarial basis. Actuarial valuations of these benefits are performed triennially using the projected benefit method prorated on services, with an actuarial valuation for accounting purposes updated annually. Pension expenses for these two plans are recognized as members render services. Actuarial gains and losses are amortized on a straight-line basis over the estimated average remaining service lives of the participants. The accrued benefit liability for these plans is calculated as the accrued benefit obligation less plan assets, if any, adjusted by unamortized actuarial gains or losses.

(f) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates when the contamination occurs, when the Government becomes aware of the contamination or, in the case of a solid waste landfill closure and post-closure care, as the landfill sites capacity is used, and the Government is obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. Accrued environmental liabilities are reported as part of accrued liabilities.

(g) Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

Some of the more significant management estimates relate to long-term investments, post-employment and retirement benefits, environmental liabilities, contingencies and revenue accruals such as Canada health and social transfer payments, and corporate and personal income tax revenue.

3. Prior year adjustments

(a) Building Canada Plan

In 2007/2008, the Government reported funding under the Building Canada Plan as revenue when the Building Canada Plan Framework Agreement was signed. Subsequently, the Government signed the Base Funding Agreement with the Government of Canada, which set forth eligibility criteria that still had to be met in order to record revenue as at March 31, 2008. As a result, a retroactive adjustment was required to restate prior year amounts.

The effects of this change to 2007/2008 are reductions of revenues and surplus for the year by $25 million and a reduction of ending financial assets and accumulated surplus by the same amount.

(b) Whitehorse General Hospital campus buildings

During the fiscal year 2008-09, the Government confirmed that the buildings on the Whitehorse General Hospital campus are legally owned by the Yukon Hospital Corporation (the Corporation). The titles of the lots where these buildings are situated were transferred from the Government to the Corporation between 1993 and 1994; however, the Government had not officially acknowledged the transfer of the buildings. Consequently, while the ownership and value of the land had been reported in the financial statements of the Corporation, the Government had been reporting the value of all the buildings on the land.

The Government has adjusted its accounting records in accordance with Canadian generally accepted accounting principles, which resulted in de-recognizing some buildings, the largest of those being the Whitehorse General Hospital, with the cost of $40 million and accumulated amortization as of March 31, 2008 of $10 million. These adjustments were applied retroactively. The effects of the retroactive adjustment on the 2007/2008 financial statements were decreases of tangible capital assets of $36,597,000, deferred capital contributions of $30,267,000 and accumulated surplus of $6,330,000. The surplus for the fiscal year 2007/2008 was increased by $253,000. The effect of this correction on the current period was also an increase of surplus for the year of $253,000.

4. Cash and cash equivalents

	2009	2008
	(thousands of dollars)	
Bank balances	$ 39,106	$ 3,704
Short-term investments	14,989	19,973
Funds held for the Government by trustees	13,131	9,850
Cash on hand	67	65
	$ 67,293	$ 33,592

5. Temporary investments

	2009		2008	
	Market Value	Book Value	Market Value	Book Value
	(thousands of dollars)			
Banker's acceptance	$ 80,600	$ 80,525	$ 54,704	$ 54,697
Bearer deposit notes	19,917	19,905	43,666	43,672
Provincial treasury bills and promissory notes	8,982	8,946	-	-
Government of Canada treasury bills	-	-	19,653	19,632
	$ 109,499	$ 109,376	$ 118,023	$ 118,001

Temporary investments during the year had a weighted average effective yield of 2.7% (2008 – 4.5%) per annum.

6. Due from/to Government of Canada

	2009	2008 (Note 3 – restated)
	(thousands of dollars)	
Due from Government of Canada		
Cost-sharing agreements and projects delivered on behalf of the Government of Canada	$ 53,381	$ 53,679
Income tax receivable	6,996	4,082
Grant receivable	-	4,570
Other	49	47
	$ 60,426	$ 62,378
Due to Government of Canada		
RCMP	$ 8,132	$ 4,199
Public Service Pension Plan contribution payable	4,125	3,735
Payroll deductions payable	3,849	3,675
Other	1,000	906
	$ 17,106	$ 12,515

Amounts due from and due to Government of Canada are payable on demand and are non-interest bearing. The carrying amounts approximate fair market values because of their short term to maturity.

7. Accounts receivable

	2009	2008
	(thousands of dollars)	
Taxes, interest and other revenue receivables	$ 7,762	$ 11,690
Less valuation allowances	(688)	(691)
	7,074	10,999
Due from Territorial corporations	8,577	7,073
	$ 15,651	$ 18,072

8. Portfolio investments and long-term investments

	2009	2008
	(thousands of dollars)	
Portfolio investments		
Master Asset Vehicle II Notes	$ 24,114	$ -
Long-term investments		
Asset-backed commercial paper	-	30,148
	$ 24,114	$ 30,148

On March 31, 2009 the Government held portfolio investments in floating rate notes with a carrying value of $24.1 million as a result of a successful restructuring process related to previous investments in asset-backed commercial paper. On January 21, 2009, the Government's holdings of non-bank sponsored asset-backed commercial paper ("ABCP") were restructured into a series of floating rate notes, designated as Master Asset Vehicle II ("MAV II") notes. Immediately prior to the restructuring of ABCP into floating rate notes the Government held a portfolio of ABCP investments with a cost of $36.3 million, comprised of $12.9 million in Opus Trust Series A and $23.4 million in Symphony Trust Series A. At March 31, 2008 these investments were carried at a net recoverable value of $30.1 million.

These investments were originally purchased in July and August of 2007 and were expected to mature during the months of August and September 2007 but, as a result of liquidity issues in the ABCP market, did not settle on maturity. On August 13, 2007 certain non-bank sponsors of ABCP were unable to fund maturing obligations through new market sales of ABCP or drawing on liquidity arrangements. As a result, the non-bank sponsored ABCP obligations became illiquid.

On August 16, 2007, a consortium representing banks, assets providers and major investors agreed in principle to a long-term proposal and interim agreement regarding the ABCP (commonly referred to as the "Montreal Accord"). Certain signatories of the Montreal Accord joined with other investors to form the Pan Canadian Investors Committee ("the Committee") to oversee an orderly restructuring of the non-bank sponsored ABCP.

On January 21, 2009 the Committee announced that the non-bank sponsored ABCP restructuring plan had been implemented. Pursuant to the terms of the plan, holders of non-bank sponsored ABCP exchanged their short-term notes for cash and floating rate notes with a maturity similar to that of the underlying assets. The restructuring plan also established an initial 18 month moratorium period during which no additional collateral calls may be made for most of the underlying credit default swaps and the restructuring plan reduced the likelihood of additional collateral calls by widening certain "spread-loss" triggers and adding traditional assets as collateral.

The following summarizes the carrying value of the ABCP immediately prior to the exchange on January 21, 2009:

	January 21, 2009			
	(thousands of dollars)			
	Face Value	2008 Valuation Adjustment	2009 Valuation Adjustment	Carrying Value
Asset-backed commercial paper	$ 36,307	$ 6,159	$ 4,638	$ 25,510

The 2008 total valuation adjustment was $6,201,000 comprised of two parts: $6,159,000 relating to adjustment of the face value of the ABCP and $42,000 relating to accrued interest. Valuation adjustments were charged to investment and interest revenue.

The Government's non-bank sponsored ABCP did not trade in an active market between August 2007 and January 2009 therefore no market quote is available. While the Government expects to receive the full value of its $36.3 million original investments at maturity plus interest, as required by Canadian generally accepted accounting principles when there is no active market, the Government estimated the carrying value of its ABCP holdings at January 21, 2009, using a probability-weighted discounted cash flow valuation technique. The valuation technique takes into consideration the specific attributes of each class of note and general market observations including available information relating to the expected risk and return profile of the notes in comparison to market returns.

The Government used the following expected rates and discount factors immediately before the restructuring on January 21, 2009:

Weighted average interest rate	1.56%
Weighted average discount rate	8.72%

The most important estimates in determining the carrying value of ABCP are the discount rate and coupon interest rates estimated for the MAV II notes. A 1% increase in the weighted average discount rate would result in a decrease in the estimate carrying value of ABCP held by approximately $1.3 million while a 1% increase in the weighted average interest rate would result in an increase in the estimated carrying value of approximately $0.4 million.

On the exchange date of January 21, 2009, the Government received Master Asset Vehicle (MAV) II notes with a face value of $36.3 million and a fair value of $23.9 million. No gain or loss on exchange was recognized because the total of the fair value of the MAV II notes and accumulated cash payable from original trusts of $1.6 million was equal to the carrying value of the ABCP investments as shown in the following:

	January 21, 2009 (thousands of dollars)
Fair value of MAV II notes received	$ 23,888
Accumulated cash payable from original trusts	1,622
Net proceeds on exchange	25,510
Carrying value of ABCP investments exchanged	25,510
Gain/(loss) on exchange	$ -

As the Government's investments in MAV II notes are not current in nature, these investments are classified as portfolio investments. The investments are recorded at a discount to their face value. This discount will be eliminated over time as the investments move closer to their maturity dates. During the period January 21 to March 31, 2009, $226,000 of discount was eliminated resulting in a March 31, 2009 carrying value of $24,114,000. The $226,000 eliminated discount was recognized as current year revenue from portfolio investments.

The Government holds the following investments in MAV II notes as at March 31, 2009:

	March 31, 2009	
	Face Value	Carrying Value
	(thousands of dollars)	
Master Asset Vehicle (MAV) II Class A-1 Notes	$ 15,777	$ 11,421
MAV II Class A-2 Notes	16,455	11,516
MAV II Class B Notes	2,986	1,098
MAV II Class C Notes	1,089	79
	$ 36,307	$ 24,114

Generally all notes are expected to be repaid on January 22, 2017 except for Class A-1 notes that are expected to start returning principal beginning in 2013 as the underlying assets mature. Class A-1 and A-2 notes will pay quarterly interest at a rate equivalent to a banker's acceptance rate minus 0.50%. Class B notes will accrue interest at the same rate as A-1 and A-2 notes but will not pay the interest until maturity, and after the principal and interest on Class A-1 and A-2 notes have been fully paid. Class C notes will accrue interest at a banker's acceptance rate plus 20% but not pay the interest until maturity and after the principal and interest on Class B notes have been fully paid. All notes are backed by a combination of structured and traditional assets. Class A-1 and A-2 notes, which are approximately 89 percent of the restructured notes, have been assigned a rating of "A" by DBRS Limited. Class B and C notes are unrated.

The Government continues to maintain a strong cash position. The liquidity issues in the ABCP market have not had an impact on the Government's operations.

9. Advances to Territorial corporations

	2009	2008
	(thousands of dollars)	
Yukon Housing Corporation		
Working capital advances	$ 26,821	$ 27,271

The advances are interest free and have various repayment terms.

10. Loans receivable

	2009	2008
	(thousands of dollars)	
Due from Yukon Housing Corporation for lands agreements, due in periodic instalments to the year 2014, bearing interest at 0.00%	$ 15,859	$ 8,843
Debenture loans to municipalities, due in varying annual amounts to the year 2030, bearing interest rates ranging from 4.00% to 9.25%	4,011	4,163
Local improvement loans, due in varying annual amounts to the year 2036, bearing interest rates ranging from 1.75% to 8.21%	3,723	3,473
Agreements for sale of land, due in varying annual amounts over a three or five year term to the year 2014, bearing interest rates ranging from 4.25% to 7.30%	2,777	938
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.00% to 12.00%	1,723	1,818
Domestic well loans, due in varying annual amounts to the year 2023, bearing interest rates ranging from 2.25% to 4.75%	1,587	1,296
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2014, bearing interest at 0.00%	733	886
Energy infrastructure development loan due in periodic instalments bearing interest at 6.40%	205	205
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2021, bearing interest at 0.00%	189	204
Energy conservation loans due in varying annual amounts with varying rates of interest	155	156
Less valuation allowances	(1,906)	(1,906)
	$ 29,056	$ 20,076

11. Land held for sale

	2009	2008
	(thousands of dollars)	
Raw land	$ 465	$ 45
Land under development	4,379	1,732
Developed land	959	4,669
	$ 5,803	$ 6,446

12. Accounts payable and accrued liabilities

	2009	2008
	(thousands of dollars)	
Accrued liabilities	$ 39,861	$ 33,706
Accounts payable	24,937	27,918
Contractors' holdbacks and security deposits	4,948	4,462
Due to Territorial corporations	4,438	5,987
	$ 74,184	$ 72,073

13. Unearned revenues

	2009	2008
	(thousands of dollars)	
Unspent transfer payments from Government of Canada	$ 20,017	$ 327
Motor vehicle fees for future years	2,064	2,189
Other	35	32
	$ 22,116	$ 2,548

14. Post-employment benefits

	2009	2008
	(thousands of dollars)	
Severance benefits	$ 41,029	$ 41,411
Sick leave obligation	18,995	15,707
Vacation leave obligation	15,955	14,280
Accrued benefit obligation	75,979	71,398
Unrecognized net actuarial loss	(16,876)	(16,606)
Accrued benefit liability	$ 59,103	$ 54,792

Severance benefits are paid on termination of service or upon retirement.

If an employee has at least five years of continuous service, a cash-in of sick leave will be paid on termination of service or upon retirement. The cash-in amount is calculated as 1/3 of unused sick leave credits to a maximum of 60 days multiplied by the daily pay rate at termination or retirement.

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. In projecting the accrued obligation for these benefits as at March 31, 2009, the Government assumed a discount rate of 5.75% and general salary increases of 2.5% per annum. The net actuarial loss is amortized over the expected average remaining service life of the active employees of 10.4 years.

Expenses related to post-employment benefits for the year ended March 31, 2009 were $11,454,000 (2008 - $11,159,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to $7,140,000 (2008 - $6,098,000). Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

15. Retirement benefits

(a) Public Service Pension Plan

The Government's employees participate in the Public Service Pension Plan administered by the Government of Canada. In this plan, employees accumulate pension benefits up to a maximum period of 35 years at 2% per year of pensionable service based on the average of their five consecutive years of highest paid services. Until December 2008, the Government contributed $2.02 for every dollar contributed by the employee, and $7.30 for every dollar contributed by the employee for the portion of the employee's salary above $130,700. Effective January 1, 2009, the Government contributes $1.91 for every dollar contributed by the employee, and $7.50 for every dollar contributed by the employee for the portion of the employee's salary above $136,700. The Government's contributions to the Public Service Pension Plan during the year and recorded as expenses were $28,370,000 (2008 - $26,462,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. These benefits are based on service and/or earnings. The Members' Services Board of the Legislative Assembly is responsible, pursuant to the *Legislative Assembly Retirement Allowances Act* (Yukon), for the administration of the Plan.

The funds are held by an investment manager in two different accounts. The first account holds the assets of the trust fund for the registered pension plan established pursuant to Parts 1 and 2 of the *Legislative Assembly Retirement Allowances Act*. The second account holds the assets of the Government, from which benefits under Part 3 of the *Legislative Assembly Retirement Allowances Act* are paid. It is the Government's policy to fully fund Parts 1 and 2 of this pension plan.

The *Legislative Assembly Retirement Allowances Act* stipulates that actuarial valuations for funding purposes must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. The assumptions used in a valuation for funding purposes are based on the actuary's best estimates with margins for conservatism. The accrued benefit obligation as at March 31, 2009 is based on an extrapolation of an actuarial valuation for funding purposes conducted as at March 31, 2008 using best estimate assumptions accepted by the Members' Services Board of the Legislative Assembly.

(c) Territorial Court Judiciary Pension Plan

The Territorial Court Judiciary Pension Plan is comprised of a judiciary registered pension plan, a judiciary retirement compensation arrangement and a supplementary judiciary pension plan. In addition to pension payments, these plans also contain a provision for payment of lump sum death and severance allowances. The Plan is administered by the Public Service Commissioner in the meaning assigned by the *Public Service Act* (Yukon).

The judiciary registered pension plan is a contributory defined benefit pension plan. In this plan, benefits are accumulated at an annual amount of 2% multiplied by the number of years of credited service multiplied by the annual average of the member's highest five consecutive years of earnings. A member's credited service is limited to a maximum of 35 years. The judiciary retirement compensation arrangement was established for the purpose of providing benefits to members with respect to pensionable service earnings that are in excess of the maximum pension limits of the judiciary registered pension plan as required by the *Income Tax Act* (Canada). Pursuant to the *Territorial Court Judiciary Pension Plan Act* (Yukon), the pension fund assets for these two plans are held separate and distinct from the Government's operations, and are managed by an investment manager.

The supplementary judiciary pension plan is supplemental to benefits provided under the judiciary registered pension plan and the judiciary retirement compensation arrangement. The *Territorial Court Judiciary Pension Plan Act* (Yukon) stipulates that no contributions are to be made to this plan, and no fund is to be maintained for the plan. In this plan, the annual amount of pension payable to a member equals 3% of the average annualized pensionable earnings of a member over the 24 months during which pensionable earnings are highest multiplied by the number of years of credited service, subject to a maximum of 70% of those earnings, minus actual benefits accumulated under the judiciary registered pension plan and the judiciary retirement compensation arrangement.

Actuarial valuations for the Plan for accounting and funding purposes were conducted using the membership data as at March 31, 2008.

(d) Extended health care and life insurance retirement benefits

The Government provides optional extended health care benefits to retired employees as well as life insurance coverage to eligible retirees. They are both defined benefit plans. The extended health care plan is self-insured. An actuarial valuation of these benefits was conducted as of April 1, 2007. Extended health care and life insurance retirement benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Effective May 1, 2008, the Government made the following changes to the plans for new retirees:

- reduced the amount of life insurance after the third year following retirement from 25% of final salary to $25,000; and
- changed the level of its contributions for the extended health benefit costs as indicated in the tables below.

Years of Service	Government Contribution of Benefit Costs
Less than 10 years (previously less than 5 years)	0%
10 years, but less than 15 years (previously 5 years, but less than 10 years)	15%
15 years, but less than 20 years (previously 10 years, but less than 15 years)	35%
20 years, but less than 25 years (previously 15 years, but less than 20 years)	50%
25 or more years (previously 20 or more years)	65%

These changes resulted in a reduction in the accrued benefit obligation as at April 1, 2008 by $6,176,000. The Government recognized the reduction in the accrued benefit obligation as a negative past service cost in the fiscal year 2008/2009.

The accrued benefit liability for the above retirement benefits as of March 31, 2009 was as follows:

	2009	2008
	(thousands of dollars)	
Accrued benefit liability (asset) (Schedule D)		
Extended health care retirement benefit	$ 23,364	$ 27,029
Territorial Court Judiciary Pension Plan	3,742	3,329
Life insurance retirement benefit	1,083	1,214
Legislative Assembly Retirement Allowances Plan	(1,581)	(2,584)
	$ 26,608	$ 28,988

16. Capital lease obligations

	2009	2008
	(thousands of dollars)	
Building lease obligation payable monthly until the year 2013, with imputed interest rate of 13.5%.	$ 1,930	$ 2,292
Building lease obligation payable monthly until the year 2012, with imputed interest rate of 11.0%. The building is to be transferred to the Government for $1.00 at the end of the lease term.	1,609	2,181
Building lease obligation payable monthly until the year 2010, with imputed interest rate of 13.3%.	340	511
	$ 3,879	$ 4,984

Interest expense related to capital lease obligations for the year was $546,000 (2008 - $672,000) at an imputed average interest rate of 12.6% (2008 – 12.6%).

The following is a schedule of future minimum lease payments under the capital lease obligations.

	(thousands of dollars)
2010	$ 2,164
2011	2,043
2012	1,273
2013	755
Total minimum lease payments	6,235
Less: amount representing executory costs	(1,263)
amount representing rental of land	(319)
amount representing interest	(774)
	$ 3,879

17. Financial instruments

The balances in cash and cash equivalents, temporary investments, due to/from Government of Canada, accounts receivable, and accounts payable and accrued liabilities are non-interest bearing and have fair values that approximate their carrying amount due to their short term to maturity.

The fair value and the methods of calculation and assumptions used for the Government's long-term financial instruments are detailed below:

	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(thousands of dollars)			
Portfolio investments	$ 24,114	$ 21,960	$ -	$ -
Long-term investments	-	-	30,148	27,896
Loans receivable	29,056	29,056	20,076	20,076

The estimated fair value for portfolio and long-term investments is calculated using a probability-weighted discounted cash flow valuation technique. The valuation technique takes into consideration the specific attributes of each class of note and general market observations including available information relating to the expected risk and return profile of the notes in comparison to market returns.

The portfolio investments are not current in nature and therefore are recorded at a discount to their face value. This discount will be eliminated over time as the investments move closer to their maturity dates. During the period January 21 to March 31, 2009, $226,000 of discount was eliminated resulting in a March 31, 2009 carrying value of $24,114,000.

Since the above valuation approach and assumptions are based on market information available at March 31, 2009, the fair value of portfolio investments may change materially in future periods as a result of fluctuations in the major elements of the valuation methodology. These changes are, however, not expected to result in a significant impact on the Government's future operations.

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of loans receivable due to the nature of these loans. The carrying value of these loans receivable should not be seen as the realizable value on immediate settlement of the loans due to the uncertainty associated with such a settlement.

18. Tangible capital assets

	2009 Net Book Value	2008 Net Book Value (Restated – Note 3)
	(thousands of dollars)	
Land	$ 6,671	$ 6,075
Buildings	245,975	245,463
Equipment and vehicles	31,142	29,848
Computer hardware and software	9,816	9,262
Transportation infrastructure	593,856	570,461
Other	20,328	17,885
(Schedule C)	$ 907,788	$ 878,994

The Government owns and/or maintains various historical sites. The Government also holds works of art with a total estimated value of $4.8 million (2008 - $4.3 million).

Leased capital assets are reported as part of the respective asset category. These leased assets are amortized on a straight-line basis over the lease term or estimated economic life. The amortization expense for the year was $653,000 (2008 restated - $653,000). The cost and accumulated amortization of leased capital assets that are included in the schedule of tangible capital assets are as follows:

	2009	2008 (Restated – Note 3)
	(thousands of dollars)	
Buildings (cost)	$ 9,549	$ 9,549
Less accumulated amortization	(4,173)	(3,520)
	$ 5,376	$ 6,029

No interest was capitalized during the year.

19. Deferred capital contributions

Where the fair value has been capitalized for tangible capital assets that were transferred from a third party such as Government of Canada, an offset is recorded as a deferred capital contribution. Funding received from a third party for the acquisition, development, construction or betterment of tangible capital assets is also treated as a deferred capital contribution. The most significant of these assets are highways, bridges and airport infrastructure. The deferred capital contribution is recognized as revenue over the useful life of the related asset.

	2009	2008 (Restated– Note 3)
	(thousands of dollars)	
Deferred capital contributions, beginning of year	$ 479,127	$ 458,241
Add: Assets transferred or funded during the year	39,264	34,082
Less: Disposal and write-down	4	(16)
Amortization	(14,755)	(13,180)
Deferred capital contributions, end of year (Schedule C)	$ 503,640	$ 479,127

20. Expenses by object

	2009	2008 (Restated– Note 3)
	(thousands of dollars)	
Personnel	$ 333,590	$ 297,760
Transfer payments	207,401	195,352
Contract and special services	125,425	110,002
Materials, supplies and utilities	69,672	76,381
Amortization expenses	34,352	33,019
Communication and transportation	26,832	24,967
Other	28,566	31,678
	$ 825,838	$ 769,159

21. Trust assets

The Government administers trust accounts on behalf of third parties which are not included in the Government's assets or liabilities.

The largest such trust account, the Compensation Fund (Yukon) has a fiscal year end of December 31. Details of the assets of the Compensation Fund (Yukon), principally investments, are available from its financial statements, which are reproduced in Section III of the Public Accounts of the Government. The remaining trust assets are invested primarily in long-term bonds, bankers' acceptances, bearer's deposit notes and the Government of Canada treasury bills.

Investments of Compensation Fund (Yukon) are valued at fair value. Investments of the remainder of the trust accounts are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash.

	2009	2008
	(thousands of dollars)	
Compensation Fund (Yukon)	$ 129,219	$ 144,590
Federal Gas Tax Funds under the New Deal	13,963	10,736
Forest Sector Fund	5,175	5,028
Crime Prevention and Victim Services	3,498	2,953
Land Title Office – Assurance Fund	3,349	3,135
Lottery Commission	2,838	2,984
Water Resources Bonds	2,516	2,583
Historic Resources Trust Fund	1,230	1,230
Public Guardian Trust	935	566
Other	2,297	2,196
	$ 165,020	$ 176,001

22. Contractual obligations

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2009:

	Expiry Date	2010	2011 – 2025	Total
		(thousands of dollars)		
Capital projects				
- in progress at March 31, 2009	2025	$ 50,247	$ 11,599	$ 61,846
(recoverable amount)		(33,977)	(4,523)	(38,500)
RCMP policing agreement	2012	17,834	37,289	55,123
Mobile radio network system	2025	1,744	50,256	52,000
Faro mine site	2012	6,988	14,612	21,600
(recoverable amount)		(6,988)	(14,612)	(21,600)
Building/office space leases	2016	8,496	9,416	17,912
Mobile communications system	2010	9,462	-	9,462
Medivac services	2010	5,447	-	5,447
Yukon Hospital Corporation	2011	2,970	2,049	5,019
Yukon College	2016	950	2,240	3,190
Miscellaneous operational commitments	2011	10,899	3,800	14,699
		$ 74,072	$ 112,126	$ 186,198

23. Overexpenditure

During the year, three (2008 – none) departments exceeded their vote with a total of $1,973,000 (2008 - $0). Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that "a vote does not authorize any payment to be made in excess of the amount specified in the vote".

The votes that were overexpended are as follows:

	(thousands of dollars)
Operation and maintenance	
Health and Social Services	$ 1,415
Environment	150
Capital	
Justice	408

The *Appropriation Acts* (Yukon) state that the Government is not to expend grant payments except in accordance with the Act. During the year, two (2008 – one) departments exceeded the authorized amounts as follows:

Operations and maintenance grants	
Health and Social Services	
- Child care subsidies	38
- Pioneer utility grant	28
- Adoption subsidies	19
Education	
- Student accommodation (boarding subsidy)	2

24. Guarantees

The Government has guaranteed repayment of loans payable by the Yukon Housing Corporation of $17.8 million (2008 - $19.2 million) and debts of the Yukon Energy Corporation, the wholly-owned subsidiary of the Yukon Development Corporation, of $7.0 million (2008 - $7.6 million). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Housing Corporation of up to $11.0 million. At March 31, 2009, on a consolidated basis, the Yukon Development Corporation had total debts of $32.7 million (2008 - $18.7 million) and a credit facility of up to $17.5 million. While the Government has not issued guarantees for all of these instruments, as the Yukon Development Corporation is an agent of the Government, lenders may have recourse to the Government. It is expected that no significant costs will be incurred by the Government with respect to these guarantees and debts.

25. Land claims

Between February 1995 and March 31, 2009, eleven Yukon First Nation Final and Self-government Agreements came into effect. The Government of Canada's negotiating mandate expired prior to the completion of the remaining three Yukon agreements. Settlements for these outstanding claims would not result in a general liability to the Government as they are to be funded by the Government of Canada. The Government would, however, be responsible for any financial obligations it might agree to during the negotiations.

The Government signed a bilateral funding agreement with the Government of Canada on June 24, 1993 that provides for funding towards the Government's additional implementation costs. Costs funded by this agreement include boards and councils established under the Yukon First Nation Final Agreements and implementation projects and activities. In 2003/2004 the bilateral funding agreement was amended to include the federal Northern Affairs Program implementation funding and the council and commission funding that came to Yukon as part of the Northern Affairs Program Devolution Transfer Agreement.

The Government incurred expenses of $5.0 million during the year (2008 - $5.3 million) with cumulative expenditures of approximately $55.2 million (2008 - $50.1 million), of which $55.1 million (2008 - $49.6 million) was funded by the Government of Canada.

26. Contingencies

In the normal course of operations, the Government is subject to legal claims. At March 31, 2009 the Government estimated the total claimed amount to be about $3.1 million (2008 - $4.0 million). No provision for claims has been made in these financial statements as it is not likely that any future event will confirm that a liability has been incurred at the date of the financial statements.

The Government established a Risk Management Revolving Fund in December 2004, with a limit of $5 million, which is to be used for providing insurance and risk management services to Government departments. Any expenses relating to property and liability losses incurred by the Government are to be paid out of this fund. The Government carries no insurance policy for its property losses, but carries a legal liability insurance policy with a $2 million deductible. The Government had unpaid claims against the fund in the amount of $1,133,000 as at March 31, 2009 (2008 - $863,000). This amount is reported as part of the Government's accrued liabilities. The fund balance as at March 31, 2009 was $3.9 million (2008 - $3.9 million). (See also Schedule 6 of the Supplementary Financial Information.)

27. Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible.

The *Environment Act* (Yukon) – *Solid Waste Regulations* include requirements for closure and abandonment of a dump. There are 23 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2009, a liability in the amount of $535,000 (2008 - $535,000) has been recorded for these sites using the method recommended by the Canadian Institute of Chartered Accountants' Public Sector Accounting Board.

In addition to the above landfill sites, as at March 31, 2009, the Government was aware of 38 sites where the Government is obligated or is likely obligated to incur such costs. Of the 38 sites, 9 are airports and 21 are highway maintenance camps, the majority of which are awaiting assessment. Quantifiable portions of remediation costs for some of the sites that are known to be contaminated are currently estimated at $6,789,000 (2008 - $3,832,000), which has been recorded as a liability and reported as part of accrued liabilities. As estimates are based on the information available as of the financial statement date, those amounts could result in material changes from one year to the next. The Government estimates the contingent environmental liabilities for the sites that are awaiting assessments to be another $2.1 million (2008 - $3.8 million). The Government is committed to assess all sites in a systematic manner.

One site on the Commissioner's Land has been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation.* The Government is not a Responsible Party for this site. The Government of Canada was the landowner when the contamination occurred. The Government has secured the site to contain the contamination and is currently negotiating with the Government of Canada regarding potential plans to proceed with additional assessment and remediation. There may be a financial implication to the Government depending on the outcome of the negotiations.

Pursuant to the Devolution Transfer Agreement, the Government of Canada retained responsibility for the clean-up of waste sites that were identified on lands transferred effective April 1, 2003. The Government of Canada also accepted financial responsibility for the remediation of impacts attributable to activities that took place prior to April 2003 on the mine sites identified as Type II sites, where they have been abandoned by their owner/operator. The Government is not aware of any financial obligations in relation to these mine sites.

28. Related parties

Related party transactions are as follows:

	2009	2008
	(thousands of dollars)	
Revenues from:		
Yukon Liquor Corporation	$ 8,222	$ 7,664
Yukon Housing Corporation	1,999	1,836
Compensation Fund (Yukon)	1,758	1,354
Yukon Lotteries Commission	588	644
Yukon Development Corporation	277	424
Yukon College	196	176
Yukon Hospital Corporation	58	25
	$ 13,098	$ 12,123
Expenses to:		
Yukon Hospital Corporation	$ 40,385	$ 34,276
Yukon College	21,476	20,281
Yukon Development Corporation	18,480	7,335
Yukon Housing Corporation	9,301	6,499
Compensation Fund (Yukon)	6,455	6,023
Yukon Legal Services Society	1,766	1,510
Yukon Arts Centre Corporation	904	842
Yukon Human Rights Commission	479	595
Yukon Liquor Corporation	15	6
	$ 99,261	$ 77,367

29. Comparative figures

Certain comparative figures for 2008 have been reclassified to conform with the 2009 presentation.

GOVERNMENT OF YUKON

Schedule A

Schedule of Revenues
for the year ended March 31, 2009

	2009		2008
	Main Estimates (Note 1(b))	Actual	Actual (Restated - Note 3)
		(thousands of dollars)	
From Government of Canada			
Formula Financing grant	$ 564,032	$ 564,032	$ 543,595
Other grants	68,026	49,168	53,352
Contributions and service agreements	45,731	62,179	45,232
	677,789	675,379	642,179
Taxes and general revenues			
Income taxes	52,581	66,340	57,358
Other taxes	25,332	25,424	21,821
Licences, permits and fees	8,328	10,654	10,594
Yukon Liquor Corporation - net income	6,122	7,029	6,390
Gain on sale of lots	146	1,467	415
Oil and gas resource revenue	416	1,193	1,163
Aviation operations	793	860	888
Investment and interest revenue	3,617	552	3,620
Fines	408	306	384
Income from portfolio investments	-	266	-
Other revenues	236	257	623
Recovery of bad debts	-	-	1,488
	97,979	114,348	104,744
Funding and service agreements with other parties	18,142	21,912	17,674
Amortization of deferred capital contributions	14,380	14,755	13,180
	$ 808,290	**$ 826,394**	**$ 777,777**

GOVERNMENT OF YUKON

Schedule B

Schedule of Expenses
for the year ended March 31, 2009

(thousands of dollars)

	2009	Actual 2009					2008
	Main Estimates (Note 1(b))	Personnel	Transfer Payments	Other	Amortization Expenses	Total (Note 20)	Actual (Restated - Note 3)
Health and Social Services	$ 216,166	$ 70,737	$ 87,568	$ 73,387	$ 2,086	$ 233,778	$ 206,843
Highways and Public Works	139,290	51,005	1,194	76,832	20,585	149,616	129,977
Education	127,800	74,089	29,685	20,934	5,665	130,373	126,351
Community Services	86,412	22,948	38,760	18,323	1,334	81,365	75,148
Justice	45,858	20,223	4,350	22,843	821	48,237	44,818
Energy, Mines and Resources	40,111	20,409	4,997	13,173	181	38,760	39,847
Environment	26,232	15,850	2,187	11,251	162	29,450	24,490
Public Service Commission	34,801	24,414	-	3,018	8	27,440	23,324
Tourism and Culture	21,080	7,901	6,203	6,686	616	21,406	21,362
Executive Council Office	24,795	11,077	6,146	2,708	16	19,947	44,560
Economic Development	16,027	4,634	5,731	3,293	37	13,695	14,269
Yukon Development Corporation (Transfer Payment)	11,500	-	10,750	-	-	10,750	-
Yukon Housing Corporation (Transfer Payment)	7,383	-	8,860	-	-	8,860	6,113
Finance	7,001	4,365	609	1,296	4	6,274	6,191
Yukon Legislative Assembly	5,207	4,756	-	1,194	4	5,954	3,216
Women's Directorate	1,132	562	361	229	-	1,152	1,164
Office of the Ombudsman	509	394	-	127	-	521	518
Elections Office	365	226	-	93	-	319	256
Interest on Loans	-	-	-	-	-	-	77
Restricted Funds	-	-	-	(4,892)	2,833	(2,059)	635
	$ 811,669	**$ 333,590**	**$ 207,401**	**$ 250,495**	**$ 34,352**	**$ 825,838**	**$ 769,159**

GOVERNMENT OF YUKON

Schedule C

Schedule of Tangible Capital Assets
for the year ended March 31, 2009

(thousands of dollars)

	Land	Buildings	Equipment and Vehicles	Computer Hardware and Software	Transportation Infrastructure	Other[1]	2009 Total	2008 Total (Restated - Note 3)
Cost of tangible capital assets, opening[2] - restated (Note 3)	$ 6,075	$ 418,054	$ 79,059	$ 28,652	$ 750,313	$ 21,819	$ 1,303,972	$ 1,250,257
Acquisitions[2]	596	12,566	5,953	2,333	39,729	3,017	64,194	55,889
Write-downs	-	-	-	-	-	-	-	(29)
Disposals	-	(3,028)	(2,333)	-	-	-	(5,361)	(2,145)
Cost of tangible capital assets, closing	6,671	427,592	82,679	30,985	790,042	24,836	1,362,805	1,303,972
Accumulated amortization, opening - restated (Note 3)	-	172,591	49,211	19,390	179,852	3,934	424,978	393,779
Amortization expense	-	11,092	4,573	1,779	16,334	574	34,352	33,019
Disposals	-	(2,066)	(2,247)	-	-	-	(4,313)	(1,820)
Accumulated amortization, closing	-	181,617	51,537	21,169	196,186	4,508	455,017	424,978
Net book value (Note 18)	**$ 6,671**	**$ 245,975**	**$ 31,142**	**$ 9,816**	**$ 593,856**	**$ 20,328**	**$ 907,788**	**$ 878,994**
Work-in-progress		$ 15,306	$ -	$ 4,278	$ 36,372	$ 7,295	$ 63,251	$ 73,563
Deferred capital contributions (Note 19)		$ 30,544	$ 6,141	$ 2,259	$ 461,102	$ 3,594	$ 503,640	$ 479,127

[1] Includes portable classrooms, land improvements and fixtures.

[2] Includes work-in-progress.

Schedule D

Schedule of Retirement Benefits
for the year ended March 31, 2009

(thousands of dollars)

Pension and retirement plan assets are valued at fair market value.

	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit	2009 Total	2008 Total
Accrued benefit obligation						
Obligation at beginning of year	$ 18,988	$ 5,292	$ 26,001	$ 1,421	$ 51,702	$ 56,292
Current service costs	1,072	290	1,168	36	2,566	2,172
Past service cost	404	227	(5,970)	(206)	(5,545)	(9,619)
Interest cost on benefit obligation	1,300	370	1,555	82	3,307	2,948
Actuarial (gain) loss	(327)	(70)	-	-	(397)	1,014
Benefits paid	(773)	(188)	(315)	(70)	(1,346)	(1,105)
Accrued benefit obligation at end of year	$ 20,664	$ 5,921	$ 22,439	$ 1,263	$ 50,287	$ 51,702
Plan assets						
Value at beginning of year	$ 24,467	$ 2,907	$ -	$ -	$ 27,374	$ 27,518
Actual return on plan assets	(2,708)	203	-	-	(2,505)	(258)
Government contributions	722	105	315	70	1,212	1,044
Member contributions	142	57	-	-	199	175
Transfers	(1,025)	-	-	-	(1,025)	-
Benefits paid	(773)	(188)	(315)	(70)	(1,346)	(1,105)
Value at end of year	$ 20,825	$ 3,084	$ -	$ -	$ 23,909	$ 27,374
Funded status - plan deficit (surplus)	$ (161)	$ 2,837	$ 22,439	$ 1,263	$ 26,378	$ 24,328
Unrecognized net actuarial gain (loss)	(1,420)	905	925	(180)	230	4,660
Accrued benefit liability (asset) (Note 15)	$ (1,581)	$ 3,742	$ 23,364	$ 1,083	$ 26,608	$ 28,988
Net benefit cost						
Current service costs	$ 1,072	$ 290	$ 1,168	$ 36	$ 2,566	$ 2,172
Less: Member contributions	(142)	(57)	-	-	(199)	(175)
Past service cost	404	227	(5,970)	(206)	(5,545)	(9,619)
Interest cost on benefit obligation	1,300	370	1,555	82	3,307	2,948
Expected return on plan assets	(1,593)	(188)	-	-	(1,781)	(1,792)
Amortization of net actuarial (gain) loss	(341)	(123)	(103)	27	(540)	(1,014)
Net cost for the year	$ 700	$ 519	$ (3,350)	$ (61)	$ (2,192)	$ (7,480)

Schedule of Retirement Benefits for the year ended March 31, 2009

	Legislative Assembly Retirement Allowances Plan	Territorial Court Judiciary Pension Plan	Extended Health Care Retirement Benefit	Life Insurance Retirement Benefit
Assumptions				
Expected long-term rate of return on assets	6.5%	6.5%	N/A	N/A
Discount rate on accrued benefit obligation	6.5%	6.5%	5.75%	5.75%
Discount rate on benefit costs	6.5%	6.5%	5.75%	5.75%
Inflation	2.5%	2.5%	N/A	N/A
Rate of compensation increase	2.5%	3.0%	N/A	see below [1]
Health care cost trend rate	N/A	N/A	see below [2]	N/A
Amortization period (expected average remaining service life)	8.5 years	7.7 years	10.4 years	7.6 years

[1] 1.2% on June 1, 2009, 2.5% per annum thereafter.

[2] 12.0 % per annum, grading down annually by 1.4% per annum to 5.0% per annum and remaining at that level thereafter.

SECTION II

SUPPLEMENTARY FINANCIAL INFORMATION

(unaudited)

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GOVERNMENT OF YUKON

Schedule 1

Comparative Schedule of Revenues for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Formula Financing grant from Canada	$ 564,031,616	$ 543,595,001	$ 20,436,615
Other grants from Canada			
Canada health transfer	28,747,250	22,109,000	6,638,250
Canada social transfer	11,222,250	9,724,792	1,497,458
Territorial health access fund	6,333,333	6,333,334	(1)
Medical travel fund	1,600,000	1,600,000	-
Police officers recruitment fund	800,000	-	800,000
Public transit capital trust	466,273	-	466,273
Patient wait times guarantee trust	-	4,473,061	(4,473,061)
Ecotrust for clean air and climate change	-	5,000,000	(5,000,000)
Community development trust	-	3,828,832	(3,828,832)
Other	-	282,836	(282,836)
	49,169,106	53,351,855	(4,182,749)
Contributions and recoveries from Canada			
Building Canada Plan	19,024,887	-	19,024,887
Child welfare	9,261,036	7,583,218	1,677,818
Type II mine sites	7,423,656	7,337,907	85,749
Canadian Heritage - French language programs	4,129,500	4,115,300	14,200
Mobile communications solution - RCMP	3,685,255	-	3,685,255
Land claims implementation	2,761,074	2,593,354	167,720
Continuing care facilities	2,553,127	2,926,728	(373,601)
Municipal rural infrastructure fund	2,324,025	2,633,316	(309,291)
Canadian strategic infrastructure fund	1,568,751	4,487,240	(2,918,489)
Other funding and service agreements	17,531,391	17,809,369	(277,978)
	70,262,702	49,486,432	20,776,270
Less funding for tangible capital assets transferred to deferred capital contributions	(8,083,924)	(4,254,994)	(3,828,930)
	62,178,778	45,231,438	16,947,340
Taxation			
Income taxes	66,340,417	57,357,903	8,982,514
Tobacco tax	10,087,120	7,244,825	2,842,295
Fuel tax	6,871,546	6,708,402	163,144
Liquor tax	3,426,688	3,311,083	115,605
General property tax	3,028,553	2,783,659	244,894
Insurance premium tax	1,867,137	1,632,912	234,225
Grants in lieu of property tax	142,335	140,239	2,096
	91,763,796	79,179,023	12,584,773

GOVERNMENT OF YUKON

Schedule 1

Comparative Schedule of Revenues
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Licenses, Permits and Fees			
Motor vehicle	$ 4,038,340	$ 4,218,359	$ (180,019)
Business and professional	2,406,004	2,306,436	99,568
Land, mines and forestry	2,000,853	1,933,409	67,444
Game, campground and wilderness tourism	940,468	908,398	32,070
Other	1,268,030	1,227,681	40,349
	10,653,695	10,594,283	59,412
Investment and Interest Revenue			
Income from portfolio investments	265,895	-	265,895
Debenture loans	237,819	258,053	(20,234)
Local improvement loans	159,072	130,119	28,953
Land sale agreements	95,149	47,804	47,345
Delinquent accounts	30,754	18,442	12,312
Banking and investment	29,536	3,143,218	(3,113,682)
Business loans	-	22,366	(22,366)
	818,225	3,620,002	(2,801,777)
Fines			
Territorial Court	286,307	374,308	(88,001)
Land administration penalties	11,843	-	11,843
Library fines	8,145	10,158	(2,013)
	306,295	384,466	(78,171)
General			
Yukon Liquor Corporation - net income	7,028,798	6,389,750	639,048
Gain on sale of lots	1,467,485	414,684	1,052,801
Oil and gas resource revenue	1,192,572	1,162,870	29,702
Aviation operations	859,536	888,059	(28,523)
Land and mineral leases and royalties	203,628	287,806	(84,178)
Recovery of bad debts	-	1,488,226	(1,488,226)
Other	53,513	334,618	(281,105)
	10,805,532	10,966,013	(160,481)

GOVERNMENT OF YUKON

Schedule 1

Comparative Schedule of Revenues
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Funding and service agreements with other parties			
Alaska Highway - Shakwak	$ 29,803,294	$ 29,322,103	$ 481,191
Land development cost recovery - residential	6,440,878	8,182,535	(1,741,657)
Third-party health care costs	3,426,333	2,983,258	443,075
Shared services	2,739,962	2,532,021	207,941
Systems Development	1,602,539	2,101,641	(499,102)
Airports	1,518,777	1,517,097	1,680
City of Whitehorse	875,000	875,000	-
Restricted funds	1,477,483	1,237,248	240,235
Other	9,454,735	9,293,020	161,715
	57,339,001	58,043,923	(704,922)
Less: Land recoveries transferred to land held for sale	(7,444,131)	(10,130,762)	2,686,631
Local improvement recoveries transferred to loans receivable	(511,396)	(412,527)	(98,869)
Funding for tangible capital assets transferred to deferred capital contributions	(27,470,958)	(29,826,735)	2,355,777
	21,912,516	17,673,899	4,238,617
Amortization of deferred capital contributions	14,755,178	13,180,473	1,574,705
	$ 826,394,737	**$ 777,776,453**	**$ 48,618,284**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Executive Council Office					
From Canada					
Operations and maintenance					
Targeted investment program					
- business survey/socio-economic indicators	$ 400,000	$ -	$ 400,000	$ 307,366	$ 92,634
- cultural inventory and survey	-	41,000	41,000	41,000	-
Land claims implementation					
- Indian and Northern Affairs Canada (INAC)	3,254,000	-	3,254,000	2,761,074	492,926
Yukon Environmental and Socio-Economic Assessment Act implementation - INAC	196,000	-	196,000	196,000	-
Environmental assessments	-	140,000	140,000	140,000	-
Capital					
Business survey/socio-economic indicators					
- GEO-connections	53,000	-	53,000	57,285	(4,285)
	3,903,000	181,000	4,084,000	3,502,725	581,275
Taxes and general revenues					
Water licence fees	15,000	-	15,000	31,358	(16,358)
Total revenues	**3,918,000**	**181,000**	**4,099,000**	**3,534,083**	**564,917**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Community Services					
From Canada					
Operations and maintenance					
Emergency measures					
- Joint emergency preparedness program	$ 100,000	$ (100,000)	$ -	$ -	$ -
Sport	252,000	-	252,000	226,491	25,509
Author readings	4,000	2,000	6,000	4,583	1,417
Motor vehicle	2,000	2,000	4,000	4,628	(628)
Flood recovery	-	24,000	24,000	46,800	(22,800)
Gas Tax Fund - evaluation report	-	20,000	20,000	15,000	5,000
Capital					
Canadian strategic infrastructure fund	3,388,000	3,526,000	6,914,000	854,225	6,059,775
Municipal rural infrastructure fund	5,156,000	(491,000)	4,665,000	2,324,025	2,340,975
Emergency measures preparedness	-	-	-	(10,066)	10,066
	8,902,000	2,983,000	11,885,000	3,465,686	8,419,314
Less funding for tangible capital assets transferred to deferred capital contributions	(125,000)	(230,000)	(355,000)	(351,026)	(3,974)
	8,777,000	2,753,000	11,530,000	3,114,660	8,415,340

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

Community Services

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Taxes and general revenues					
Fuel storage tank permits	$ 4,000	$ -	$ 4,000	$ 2,588	$ 1,412
Interest on local improvement	200,000	-	200,000	159,072	40,928
General property tax	2,880,000	127,000	3,007,000	3,028,553	(21,553)
Grant in lieu of property tax	140,000	2,000	142,000	142,335	(335)
Property subdivision application fee	7,000	-	7,000	6,705	295
Library fines	8,000	-	8,000	8,145	(145)
Photocopier fees	5,000	-	5,000	2,212	2,788
Professional/consumer licensing	188,000	64,000	252,000	298,409	(46,409)
Business/corporate licensing	1,800,000	-	1,800,000	2,107,595	(307,595)
Building safety licences and fees	350,000	-	350,000	361,463	(11,463)
Private vehicle licences	1,141,000	59,000	1,200,000	1,283,149	(83,149)
Commercial vehicle licences	1,925,000	175,000	2,100,000	2,275,957	(175,957)
Miscellaneous motor vehicle revenue	363,000	17,000	380,000	479,234	(99,234)
Labour services	-	4,000	4,000	4,641	(641)
Loss from sale of land	-	-	-	(10,411)	10,411
Land administration penalties	-	-	-	11,843	(11,843)
	9,011,000	448,000	9,459,000	10,161,490	(702,490)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Community Services					
Third-party recoveries					
Operations and maintenance					
Shared services	$ 2,791,000	$ -	$ 2,791,000	$ 2,739,962	$ 51,038
Emergency medical services	100,000	-	100,000	9,050	90,950
Community recreation/active living	87,000	-	87,000	82,800	4,200
Sport	323,000	-	323,000	289,650	33,350
Community assessments	417,000	-	417,000	409,807	7,193
Water and sewer services	261,000	-	261,000	315,642	(54,642)
Mosquito control	21,000	4,000	25,000	43,533	(18,533)
Conference registration fees	-	17,000	17,000	17,120	(120)
Capital					
Rural electrification and telephone program	600,000	294,000	894,000	405,680	488,320
Domestic well program	600,000	4,000	604,000	105,716	498,284
Land development cost recovery					
- industrial	1,150,000	447,000	1,597,000	883,012	713,988
- residential	25,700,000	(10,638,000)	15,062,000	6,440,878	8,621,122
- recreational	500,000	(400,000)	100,000	-	100,000
Municipal rural infrastructure fund projects					
- City of Whitehorse - Hamilton Boulevard extension	875,000	-	875,000	875,000	-
- Village of Mayo - Community Centre	-	-	-	22,540	(22,540)
Canada Winter Games' Athletes' Village					
- Canada Winter Games Host Society	-	91,000	91,000	90,843	157
Canadian strategic infrastructure fund					
- Village of Carmacks	-	-	-	130,931	(130,931)
	33,425,000	(10,181,000)	23,244,000	12,862,164	10,381,836

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Community Services					
Less: Land recoveries transferred to land held for sale	$ (27,350,000)	$ 10,591,000	$ (16,759,000)	$ (7,355,778)	$ (9,403,222)
Local improvement recoveries transferred to loans receivable	(1,200,000)	(298,000)	(1,498,000)	(511,396)	(986,604)
	4,875,000	112,000	4,987,000	4,994,990	(7,990)
Amortization of deferred capital contributions	264,000	4,000	268,000	267,773	227
Total revenues	**22,927,000**	**3,317,000**	**26,244,000**	**18,538,913**	**7,705,087**
Economic Development					
From Canada					
Operations and maintenance					
Business and trade					
- Investment marketing meeting	-	8,000	8,000	8,539	(539)
Capital					
Technology partnerships					
- Community access program	-	70,000	70,000	70,000	-
Targeted investment program					
- path to investment - mining	-	250,000	250,000	243,970	6,030
- Yukon cold climate innovation research	-	200,000	200,000	200,000	-
Total revenues	-	**528,000**	**528,000**	**522,509**	**5,491**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Education					
From Canada					
Operations and maintenance					
Canadian Heritage - French language programs	$ 2,343,000	$ 7,000	$ 2,350,000	$ 2,349,500	$ 500
Human Resources and Social Development Canada					
- skills development	1,125,000	-	1,125,000	1,510,297	(385,297)
- older workers' initiative	260,000	73,000	333,000	319,977	13,023
Immigration portal	200,000	-	200,000	140,807	59,193
Student financial assistance					
- Canada student loan	41,000	-	41,000	61,871	(20,871)
- Canada study grants	70,000	-	70,000	69,955	45
Indian and Northern Affairs Canada					
- feasibility study	-	-	-	61,200	(61,200)
	4,039,000	80,000	4,119,000	4,513,607	(394,607)
Taxes and general revenues					
Extension programs fees	5,000	-	5,000	850	4,150
Summer school fees	10,000	-	10,000	11,500	(1,500)
Apprenticeship certification	1,000	-	1,000	1,511	(511)
Trade school registration fees	1,000	-	1,000	-	1,000
	17,000	-	17,000	13,861	3,139

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Education					
Third-party recoveries					
Operations and maintenance					
Student accommodation	$ 120,000	$ -	$ 120,000	$ 138,700	$ (18,700)
Staff accommodation rental	5,000	-	5,000	4,909	91
Council of Ministers of Education of Canada agreement					
- monitors	195,000	29,000	224,000	237,660	(13,660)
- literacy forum	25,000	-	25,000	-	25,000
Stikine students	233,000	(88,000)	145,000	133,000	12,000
Yukon Teachers' Association - substitute teachers	35,000	-	35,000	62,870	(27,870)
Charles R. Bronfman Foundation Heritage	4,000	-	4,000	6,629	(2,629)
Student information and assessments	9,000	-	9,000	-	9,000
Yukon Francophone School Board	110,000	(110,000)	-	-	-
Student financial assistance - Millennium Scholarship Fund	50,000	-	50,000	50,000	-
	786,000	(169,000)	617,000	633,768	(16,768)
Amortization of deferred capital contributions	195,000	1,000	196,000	196,612	(612)
Total revenues	**5,037,000**	**(88,000)**	**4,949,000**	**5,357,848**	**(408,848)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Energy, Mines and Resources					
From Canada					
Operations and maintenance					
Parks Canada - library access	$ 10,000	$ -	$ 10,000	$ 10,470	$ (470)
Agriculture Canada					
- agriculture policy framework agreement	300,000	21,000	321,000	337,961	(16,961)
- rent	3,000	-	3,000	3,000	-
Natural Resources Canada					
- Energy Solutions Centre	75,000	(5,000)	70,000	70,000	-
Indian and Northern Affairs Canada - Type II mine sites	8,518,000	(299,000)	8,219,000	7,423,656	795,344
Fisheries and Oceans Canada					
- Yukon placer regime	100,000	-	100,000	100,000	-
Strategic investment in northern economic development	-	623,000	623,000	623,200	(200)
Geo-mapping for energy and minerals	-	50,000	50,000	150,000	(100,000)
Capital					
Forest inventory	217,000	-	217,000	(129,974)	346,974
Forest management plans implementation	-	85,000	85,000	85,000	-
Resource assessment - minerals	-	857,000	857,000	857,000	-
	9,223,000	1,332,000	10,555,000	9,530,313	1,024,687

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Energy, Mines and Resources					
Taxes and general revenues					
Lands					
- lands administration/interest	$ 15,000	$ -	$ 15,000	$ 95,149	$ (80,149)
- land sales fees	18,000	-	18,000	17,509	491
- unearned equity	1,000	-	1,000	300	700
- land leases	120,000	-	120,000	197,497	(77,497)
- land use fees	10,000	-	10,000	(11,702)	21,702
- quarrying royalties and leases	12,000	-	12,000	12,502	(502)
- sale of undeveloped land	145,000	1,237,000	1,382,000	1,477,596	(95,596)
- royalties collected on lease agreements	15,000	-	15,000	50,655	(35,655)
- other royalties	1,000	-	1,000	(57,026)	58,026
Forestry					
- application fees	10,000	-	10,000	2,419	7,581
- stumpage dues	20,000	-	20,000	5,351	14,649
- engineering levy	5,000	-	5,000	1,574	3,426
Agricultural land application and grazing lease fees	4,000	-	4,000	4,942	(942)
Energy Solutions Centre					
- equipment rental	1,000	-	1,000	-	1,000
- energy efficiency courses	34,000	-	34,000	22,050	11,950
Oil and gas resource revenue					
- royalties	400,000	600,000	1,000,000	1,175,085	(175,085)
- rentals and administration	16,000	-	16,000	17,487	(1,487)
Sale of maps	10,000	-	10,000	4,887	5,113

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Energy, Mines and Resources					
Taxes and general revenues (continued)					
Mineral resources					
- coal leases, permits and royalties	$ 45,000	$ -	$ 45,000	$ 37,567	$ 7,433
- placer mining fees	249,000	-	249,000	220,362	28,638
- quartz mining fees and leases	604,000	750,000	1,354,000	1,722,831	(368,831)
- maps, publications and charts	5,000	-	5,000	3,435	1,565
	1,740,000	2,587,000	4,327,000	5,000,470	(673,470)
Third-party recoveries					
Operations and maintenance					
Land - legal surveys	10,000	-	10,000	-	10,000
Agriculture conference	2,000	-	2,000	1,220	780
Master gardener course	2,000	-	2,000	2,875	(875)
Yukon Development Corporation	-	-	-	114,523	(114,523)
Capital					
Agricultural land development	100,000	-	100,000	88,353	11,647
Joint First Nation/Yukon Government land management project	-	253,000	253,000	-	253,000
Anvil Range Faro land transfer	-	-	-	347,875	(347,875)
	114,000	253,000	367,000	554,846	(187,846)
Less land recoveries transferred to land held for sale	(100,000)	-	(100,000)	(88,353)	(11,647)
	14,000	253,000	267,000	466,493	(199,493)
Amortization of deferred capital contributions	30,000	(20,000)	10,000	12,811	(2,811)
Total revenues	**11,007,000**	**4,152,000**	**15,159,000**	**15,010,087**	**148,913**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Environment					
From Canada					
Operations and maintenance					
Inuvialuit Final Agreement	$ 947,000	$ (9,000)	$ 938,000	$ 938,092	$ (92)
Environmental sustainability - miscellaneous partnerships	100,000	-	100,000	-	100,000
Water quality monitoring	-	50,000	50,000	50,000	-
Operational situational information for river ice systems	-	38,000	38,000	38,000	-
Indian and Northern Affairs Canada - climate change adaptation	-	-	-	95,000	(95,000)
Arctic freshwater systems - hydrology and ecology	-	-	-	17,500	(17,500)
Parks Canada - Porcupine Caribou satellite monitoring	-	-	-	6,000	(6,000)
Capital					
Inuvialuit Final Agreement	-	14,000	14,000	13,798	202
NatureServe Canada - data mining project	-	-	-	14,000	(14,000)
	1,047,000	93,000	1,140,000	1,172,390	(32,390)
Taxes and general revenues					
Campground permits	306,000	-	306,000	295,629	10,371
Wilderness tourism licensing	8,000	-	8,000	9,730	(1,730)
Hunting licences and seals	352,000	(10,000)	342,000	367,239	(25,239)
Trapping and fur licences	6,000	-	6,000	6,249	(249)
Fishing licences	240,000	10,000	250,000	252,526	(2,526)
Outfitting fees	10,000	-	10,000	8,495	1,505
Other fees	-	-	-	600	(600)
	922,000	-	922,000	940,468	(18,468)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Environment					
Third-party recoveries					
Operations and maintenance					
Yukon Wildlife Preserve	$ 50,000	$ -	$ 50,000	$ -	$ 50,000
Advertising recoveries - publications	10,000	-	10,000	11,910	(1,910)
Mapping recoveries	10,000	-	10,000	3,020	6,980
Miscellaneous partnerships	100,000	-	100,000	-	100,000
Freshwater fisheries agreement					
- Yukon Development Corporation	20,000	-	20,000	-	20,000
Arctic tundra project					
- University of British Columbia	105,000	-	105,000	105,036	(36)
NatureServe Yukon					
- Nature Conservancy of Canada	35,000	-	35,000	-	35,000
Special waste collection	60,000	60,000	120,000	161,462	(41,462)
Compulsory inspections					
- Province of British Columbia	2,000	-	2,000	1,500	500
Conservation Action Team	2,000	-	2,000	3,250	(1,250)
International Polar Year - CircumArctic rangifer monitoring and assessment - Porcupine caribou condition study	-	-	-	42,000	(42,000)
Government of Northwest Territories					
- South Nahanni caribou project	-	-	-	16,000	(16,000)
Gwich'in Renewable Resource Board					
- Porcupine caribou composition count	-	-	-	10,000	(10,000)
Yellowstone to Yukon conservation initiative	-	-	-	3,000	(3,000)
Science communications workshop	-	-	-	675	(675)
	394,000	60,000	454,000	357,853	96,147
Total revenues	**2,363,000**	**153,000**	**2,516,000**	**2,470,711**	**45,289**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Finance					
From Canada					
Formula Financing grant	$ 564,032,000	$ -	$ 564,032,000	$ 564,031,616	$ 384
Canada health transfer	22,847,000	6,045,000	28,892,000	28,747,250	144,750
Canada social transfer	9,850,000	1,459,000	11,309,000	11,222,250	86,750
Building Canada plan	26,130,000	215,000	26,345,000	19,024,887	7,320,113
Police officers recruitment fund	800,000	-	800,000	800,000	-
Public transit capital trust	466,000	-	466,000	466,273	(273)
	624,125,000	7,719,000	631,844,000	624,292,276	7,551,724
Less funding for tangible capital assets transferred to deferred capital contributions	-	-	-	(6,328,972)	6,328,972
	624,125,000	7,719,000	631,844,000	617,963,304	13,880,696
Taxes and general revenues					
Personal income tax	40,778,000	10,000,000	50,778,000	59,969,385	(9,191,385)
Corporate income tax	11,803,000	1,500,000	13,303,000	6,371,032	6,931,968
Fuel oil tax - diesel	3,080,000	-	3,080,000	3,279,466	(199,466)
Fuel oil tax - other	3,462,000	-	3,462,000	3,592,080	(130,080)
Insurance premium tax	1,551,000	-	1,551,000	1,867,137	(316,137)
Tobacco tax	11,084,000	-	11,084,000	10,087,120	996,880
Banking and investment	3,392,000	1,500,000	4,892,000	29,536	4,862,464
Interest on accounts receivable	10,000	-	10,000	30,754	(20,754)
Exchange	4,000	-	4,000	42,289	(38,289)
Loan guarantee fees	2,000	-	2,000	-	2,000
Miscellaneous revenue	17,000	-	17,000	(30,341)	47,341
Income from portfolio investments	-	-	-	265,895	(265,895)
	75,183,000	13,000,000	88,183,000	85,504,353	2,678,647

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Finance					
Third-party recoveries					
Operations and maintenance					
Workers' Compensation Health and Safety Board payroll	$ 6,000	$ -	$ 6,000	$ 6,000	$ -
Charge card incentive	10,000	-	10,000	5,000	5,000
Capital					
Loan guarantee contingency	250,000	-	250,000	-	250,000
	266,000	-	266,000	11,000	255,000
Total revenues	**699,574,000**	**20,719,000**	**720,293,000**	**703,478,657**	**16,814,343**
Health and Social Services					
From Canada					
Grants from Canada					
Territorial health access fund	4,333,000	-	4,333,000	4,333,333	(333)
Territorial health access fund - Operational Secretariat	2,000,000	-	2,000,000	2,000,000	-
Medical travel fund	1,600,000	-	1,600,000	1,600,000	-
Operations and maintenance					
Child welfare					
- Indian and Northern Affairs Canada (INAC)	7,557,000	-	7,557,000	8,348,677	(791,677)
- Family and children services - INAC (prior year recovery)	-	-	-	912,359	(912,359)
Federal child benefit	553,000	-	553,000	616,919	(63,919)
Transition homes - INAC	296,000	-	296,000	437,575	(141,575)
Youth criminal justice	1,302,000	-	1,302,000	1,302,688	(688)
Social services - INAC	402,000	-	402,000	409,377	(7,377)
Social services - INAC (prior year recovery)	-	-	-	30,433	(30,433)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Health and Social Services					
From Canada (continued)					
Operations and maintenance (continued)					
Yukon child benefit - INAC	$ 675,000	$ 663,000	$ 1,338,000	$ 1,338,300	$ (300)
Continuing care facilities - INAC	2,465,000	274,000	2,739,000	2,544,863	194,137
Continuing care facilities - INAC (prior year recovery)	-	-	-	8,264	(8,264)
Home care - INAC	86,000	14,000	100,000	122,548	(22,548)
Chronic conditions surveillance	200,000	-	200,000	200,000	-
Travel recoveries					
- First Nations benefits	926,000	67,000	993,000	1,116,400	(123,400)
- First Nations medevac flights from 07/08	-	-	-	353,893	(353,893)
Hearing assessments and aids	25,000	10,000	35,000	67,144	(32,144)
Community nursing					
- Lower Post recovery	15,000	-	15,000	15,789	(789)
Internationally-educated health professionals	-	338,000	338,000	141,755	196,245
Patient wait times guarantee pilot project	-	261,000	261,000	126,510	134,490
Aboriginal health transition fund	-	-	-	297,283	(297,283)
Human papilloma virus study	-	-	-	96,000	(96,000)
National diabetes survey	-	-	-	86,100	(86,100)
Recovery policy planning	-	-	-	63,700	(63,700)
Patient services - Beaver Creek	-	-	-	3,257	(3,257)
Capital					
Patient wait times guarantee pilot project	-	50,000	50,000	48,000	2,000
	22,435,000	1,677,000	24,112,000	26,621,167	(2,509,167)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Health and Social Services					
Taxes and general revenues					
Registration and fees	$ 34,000	$ -	$ 34,000	$ 39,230	$ (5,230)
Environmental health - inspection/permits	8,000	12,000	20,000	21,000	(1,000)
	42,000	12,000	54,000	60,230	(6,230)
Third-party recoveries					
Operations and maintenance					
Family and children's services - client recovery	4,000	(2,000)	2,000	3,000	(1,000)
Social services - client recovery	50,000	-	50,000	34,463	15,537
Continuing care facilities	1,064,000	(332,000)	732,000	751,697	(19,697)
Third-party health care costs	3,235,000	17,000	3,252,000	3,426,333	(174,333)
Third-party medevac flights	-	-	-	129,675	(129,675)
Hearing assessments and aids	255,000	(70,000)	185,000	349,581	(164,581)
Community nursing					
- patient services	476,000	72,000	548,000	627,804	(79,804)
- drugs and vaccines	82,000	8,000	90,000	86,442	3,558
- rent/utility recoveries	112,000	(8,000)	104,000	100,318	3,682
- other recoveries	4,000	(4,000)	-	2,190	(2,190)
Northern health and learning symposium	-	75,000	75,000	53,447	21,553
Pan-Territorial oral health initiative	-	135,000	135,000	235,540	(100,540)
Breast health research project	-	19,000	19,000	32,250	(13,250)
Environmental Health - miscellaneous recoveries	-	-	-	916	(916)
Capital					
Systems development	1,872,000	-	1,872,000	1,602,539	269,461
	7,154,000	(90,000)	7,064,000	7,436,195	(372,195)
Less funding for tangible capital assets transferred to deferred capital contributions	(100,000)	-	(100,000)	(481,819)	381,819
	7,054,000	(90,000)	6,964,000	6,954,376	9,624

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Health and Social Services					
Amortization of deferred capital contributions	$ 1,535,000	$ -	$ 1,535,000	$ 816,221	$ 718,779
Total revenues	**31,066,000**	**1,599,000**	**32,665,000**	**34,451,994**	**(1,786,994)**
Highways and Public Works					
From Canada					
Operations and maintenance					
Information and communications service agreements	71,000	-	71,000	105,470	(34,470)
Transportation recoverable services	30,000	90,000	120,000	147,551	(27,551)
National safety code agreement	128,000	-	128,000	127,930	70
Airports	43,000	4,000	47,000	79,280	(32,280)
French Language Services Directorate - Canadian Heritage	1,740,000	40,000	1,780,000	1,780,000	-
Capital					
Corporate computer equipment and systems	6,000	3,000	9,000	7,607	1,393
Alaska Highway - Canadian strategic infrastructure fund	480,000	287,000	767,000	714,526	52,474
Project management services	250,000	-	250,000	(145,756)	395,756
French Language Services Directorate - Office furniture, equipment and systems	10,000	-	10,000	10,000	-
Mobile communications solution - RCMP	-	3,364,000	3,364,000	3,685,255	(321,255)
Transportation facilities and equipment	-	50,000	50,000	41,512	8,488
Aviation/Yukon airport operations support equipment	-	1,108,000	1,108,000	753,494	354,506
Transportation planning & engineering	-	344,000	344,000	269,181	74,819
Klondike Highway - Venus Mine site - Indian and Northern Affairs Canada	-	84,000	84,000	94,000	(10,000)

GOVERNMENT OF YUKON

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Highways and Public Works					
From Canada (continued)					
Capital (continued)					
Aviation/Yukon Airports					
- Whitehorse	$ -	$ 10,000	$ 10,000	$ 9,836	$ 164
- Old Crow	-	5,000	5,000	5,000	-
	2,758,000	5,389,000	8,147,000	7,684,886	462,114
Less funding for tangible capital assets transferred to deferred capital contributions	(480,000)	(1,395,000)	(1,875,000)	(1,403,926)	(471,074)
	2,278,000	3,994,000	6,272,000	6,280,960	(8,960)
Taxes and general revenues					
Access to Information and Protection of Privacy	10,000	-	10,000	6,878	3,122
Highway information signs/permits	17,000	-	17,000	10,685	6,315
Aviation operations	793,000	-	793,000	859,536	(66,536)
Motor Transport Board fees	14,000	-	14,000	17,163	(3,163)
Weigh station fees	82,000	-	82,000	146,849	(64,849)
Adult French language class fees	19,000	-	19,000	10,630	8,370
	935,000	-	935,000	1,051,741	(116,741)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Highways and Public Works					
Third-party recoveries					
Operations and maintenance					
Deposit forfeitures	$ 1,000	$ -	$ 1,000	$ -	$ 1,000
Information and communications service agreements	264,000	-	264,000	189,200	74,800
Highways employee housing	34,000	-	34,000	21,089	12,911
Transportation recoverable services	271,000	187,000	458,000	502,396	(44,396)
Airports	1,500,000	-	1,500,000	1,518,777	(18,777)
Queen's Printer subscriptions	65,000	-	65,000	36,200	28,800
Travel agent processing	23,000	16,000	39,000	46,105	(7,105)
Adult French language class fees	3,000	-	3,000	2,430	570
Property management - leases/facility agreements	780,000	-	780,000	640,546	139,454
Capital					
Alaska Highway - Shakwak	28,000,000	3,464,000	31,464,000	29,803,294	1,660,706
Sale of government surplus equipment	15,000	-	15,000	52,064	(37,064)
Project management services	250,000	-	250,000	316,832	(66,832)
Bridges - numbered highways	-	26,000	26,000	26,069	(69)
	31,206,000	3,693,000	34,899,000	33,155,002	1,743,998
Less funding for tangible capital assets transferred to deferred capital contributions	(27,590,000)	(2,600,000)	(30,190,000)	(26,989,139)	(3,200,861)
	3,616,000	1,093,000	4,709,000	6,165,863	(1,456,863)
Amortization of deferred capital contributions	12,356,000	876,000	13,232,000	13,461,761	(229,761)
Total revenues	**19,165,000**	**5,963,000**	**25,148,000**	**26,960,325**	**(1,812,325)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Justice					
From Canada					
Operations and maintenance					
Child support guidelines	$ 207,000	$ -	$ 207,000	$ 202,561	$ 4,439
Legal aid	864,000	100,000	964,000	964,000	-
Aboriginal courtworker program	158,000	-	158,000	158,000	-
Yukon Public Legal Education Association	70,000	-	70,000	70,000	-
Exchange of service agreement	30,000	-	30,000	49,240	(19,240)
Parole supervision	70,000	-	70,000	70,000	-
Outreach workers	50,000	-	50,000	50,000	-
Counselling for kids	50,000	-	50,000	41,177	8,823
Victim services for communities	8,000	-	8,000	-	8,000
Community Court - National Crime Prevention Centre	200,000	20,000	220,000	201,815	18,185
Administration of justice	-	50,000	50,000	8,535	41,465
Fetal alcohol spectrum disorder conference	-	30,000	30,000	26,467	3,533
Northern Institute of Justice	-	-	-	20,752	(20,752)
Other	-	-	-	232	(232)
	1,707,000	200,000	1,907,000	1,862,779	44,221
Taxes and general revenues					
Fines - Territorial Court	400,000	-	400,000	286,307	113,693
Sheriff's Office	20,000	-	20,000	46,107	(26,107)
Public guardian and trustee fees	40,000	-	40,000	72,786	(32,786)
Land titles fees	200,000	-	200,000	302,318	(102,318)
	660,000	-	660,000	707,518	(47,518)

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Justice					
Third-party recoveries					
Operations and maintenance					
Worker advocate	$ 412,000	$ -	$ 412,000	$ 355,667	$ 56,333
Witness program - videoconferencing	4,000	-	4,000	11,122	(7,122)
Public Utilities Board hearings	100,000	-	100,000	100,000	-
Outreach worker - Province of British Columbia	10,000	-	10,000	10,458	(458)
Fetal alcohol spectrum disorder conference	-	4,000	4,000	3,449	551
	526,000	4,000	530,000	480,696	49,304
Total revenues	**2,893,000**	**204,000**	**3,097,000**	**3,050,993**	**46,007**
Public Service Commission					
From Canada					
Operations and maintenance					
Staff development - operations	30,000	-	30,000	5,088	24,912
Third-party recoveries					
Operations and maintenance					
Staff development - operations	15,000	-	15,000	18,859	(3,859)
Total Revenues	**45,000**	-	**45,000**	**23,947**	**21,053**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Tourism and Culture					
From Canada					
Operations and maintenance					
Commercial heritage properties incentive fund	$ -	$ -	$ -	$ 7,600	$ (7,600)
Capital					
Historic places initiative	225,000	63,000	288,000	282,398	5,602
	225,000	63,000	288,000	289,998	(1,998)
Taxes and general revenues					
Yukon Beringia Interpretive Centre	70,000	-	70,000	66,798	3,202
Archives - photocopier fees	6,000	-	6,000	2,878	3,122
Archives - sale of photographs	6,000	-	6,000	6,103	(103)
Vacation guide advertising revenue	115,000	-	115,000	106,970	8,030
	197,000	-	197,000	182,749	14,251
Third-party recoveries					
Operations and maintenance					
Yukon Lottery Commission	240,000	-	240,000	216,000	24,000
Joint Yukon/Alaska marketing program	123,000	-	123,000	135,135	(12,135)
	363,000	-	363,000	351,135	11,865
Total revenues	**785,000**	**63,000**	**848,000**	**823,882**	**24,118**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Yukon Liquor Corporation					
Taxes and general revenues					
Corporate net income	$ 6,122,000	$ 468,000	$ 6,590,000	$ 7,028,798	$ (438,798)
Liquor tax	3,135,000	287,000	3,422,000	3,426,688	(4,688)
Total revenues	**9,257,000**	**755,000**	**10,012,000**	**10,455,486**	**(443,486)**
Interest					
Taxes and general revenues					
Operations and maintenance					
Interest	**233,000**	**23,000**	**256,000**	**237,819**	**18,181**
Restricted Funds					
Third-party recoveries					
Operations and maintenance					
Restricted funds	**-**	**-**	**-**	**1,477,483**	**(1,477,483)**

GOVERNMENT OF YUKON

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2009

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual	Under (Over) Estimates
Totals					
From Canada	$ 678,394,000	$ 20,245,000	$ 698,639,000	$ 683,463,424	$ 15,175,576
Taxes and general revenues	98,212,000	16,825,000	115,037,000	114,347,543	689,457
Third-party recoveries	74,249,000	(6,430,000)	67,819,000	57,339,001	10,479,999
Less: Funding for tangible capital assets transferred to deferred capital contributions	(28,295,000)	(4,225,000)	(32,520,000)	(35,554,882)	(3,294,090)
Land recoveries transferred to land held for sale	(27,450,000)	10,591,000	(16,859,000)	(7,444,131)	(9,414,869)
Local improvement recoveries transferred to loans receivable	(1,200,000)	(298,000)	(1,498,000)	(511,396)	(986,604)
Amortization of deferred capital contributions	14,380,000	861,000	15,241,000	14,755,178	485,822
Total revenues	**$ 808,290,000**	**$ 37,569,000**	**$ 845,859,000**	**$ 826,394,737**	**$ 13,135,291**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Yukon Legislative Assembly			
Operations and maintenance			
Legislative services	$ 2,895,489	$ 2,702,406	$ 193,083
Legislative Assembly Office	786,697	638,086	148,611
Retirement allowances and death benefits	1,781,987	(440,484)	2,222,471
Hansard	416,943	265,370	151,573
Conflicts Commission	36,830	25,009	11,821
	5,917,946	3,190,387	2,727,559
Capital			
Legislative Assembly Office	138,090	22,163	115,927
Less acquisition of tangible capital assets	(106,365)	-	(106,365)
	31,725	22,163	9,562
Amortization expenses	4,168	4,168	-
Total expenses	**5,953,839**	**3,216,718**	**2,737,121**
Elections Office			
Operations and maintenance			
Elections	314,308	251,132	63,176
Capital			
Elections	5,000	5,102	(102)
Total expenses	**319,308**	**256,234**	**63,074**
Office of the Ombudsman			
Operations and maintenance			
Office of the Ombudsman	515,766	515,000	766
Capital			
Office of the Ombudsman	4,999	3,000	1,999
Total expenses	**520,765**	**518,000**	**2,765**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Executive Council Office			
Operations and maintenance			
Corporate services	$ 4,031,685	$ 3,313,619	$ 718,066
Land Claims and Implementation Secretariat	6,122,247	6,767,592	(645,345)
Intergovernmental relations	1,170,859	1,264,829	(93,970)
Government audit services	306,531	409,035	(102,504)
Governance liaison and capacity development	602,312	380,603	221,709
Office of the Commissioner	159,252	195,408	(36,156)
Development assessment	1,007,316	1,075,235	(67,919)
Cabinet Offices	2,452,630	2,286,725	165,905
Yukon Water Board Secretariat	729,391	784,747	(55,356)
Youth Directorate	706,314	638,280	68,034
Northern strategy	2,186,505	662,326	1,524,179
Devolution	-	509,240	(509,240)
	19,475,042	18,287,639	1,187,403
Capital			
Corporate services	112,091	137,675	(25,584)
Land Claims and Implementation Secretariat	62,960	25,833,731	(25,770,771)
Governance liaison and capacity development	80,833	100,000	(19,167)
Youth Directorate	200,000	200,000	-
	455,884	26,271,406	(25,815,522)
Less acquisition of tangible capital assets	-	(15,014)	15,014
	455,884	26,256,392	(25,800,508)
Amortization expenses	15,565	15,565	-
Total expenses	**19,946,491**	**44,559,596**	**(24,613,105)**
Community Services			
Operations and maintenance			
Corporate services	5,011,414	4,409,651	601,763
Protective services	21,527,832	21,168,714	359,118
Community development	30,999,754	29,585,019	1,414,735
Consumer and safety services	4,525,742	4,282,540	243,202
	62,064,742	59,445,924	2,618,818

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Community Services			
Capital			
Corporate services	$ 642,546	$ 771,051	$ (128,505)
Protective services	4,006,409	2,031,365	1,975,044
Community development	24,703,213	20,488,192	4,215,021
	29,352,168	23,290,608	6,061,560
Less: Acquisition of tangible capital assets	(3,787,301)	(4,035,389)	248,088
Land development costs transferred to land held for sale	(6,557,361)	(4,310,535)	(2,246,826)
Local improvement costs transferred to loans receivable	(1,061,104)	(786,154)	(274,950)
	17,946,402	14,158,530	3,787,872
Amortization expenses	1,334,399	1,543,621	(209,222)
Write-down/disposal loss of tangible capital assets	20,000	-	20,000
Total expenses	**81,365,543**	**75,148,075**	**6,217,468**
Economic Development			
Operations and maintenance			
Corporate services	1,122,373	1,093,372	29,001
Corporate planning and economic policy	1,457,181	1,321,381	135,800
Business and trade	1,418,557	1,133,792	284,765
Regional economic development	773,135	808,214	(35,079)
Strategic industries development	1,556,089	1,823,031	(266,942)
	6,327,335	6,179,790	147,545
Capital			
Corporate services	88,140	156,968	(68,828)
Corporate planning and economic policy	117,770	520,373	(402,603)
Business and trade	1,461,945	1,822,967	(361,022)
Regional economic development	4,097,399	3,386,315	711,084
Strategic industries development	1,605,004	2,308,708	(703,704)
	7,370,258	8,195,331	(825,073)
Less acquisition of tangible capital assets	(40,000)	(139,501)	99,501
	7,330,258	8,055,830	(725,572)

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Economic Development			
Amortization expenses	$ 36,927	$ 33,413	$ 3,514
Total expenses	**13,694,520**	**14,269,033**	**(574,513)**
Education			
Operations and maintenance			
Education support services	6,337,398	6,413,405	(76,007)
Public schools	84,389,086	81,133,518	3,255,568
Advanced education	7,845,871	7,324,831	521,040
Yukon College	18,137,108	17,610,000	527,108
	116,709,463	112,481,754	4,227,709
Capital			
Education support services	82,533	54,835	27,698
Public schools	4,440,150	7,069,627	(2,629,477)
Advanced education	1,583,142	1,654,768	(71,626)
Yukon College	1,478,814	1,201,000	277,814
	7,584,639	9,980,230	(2,395,591)
Less acquisition of tangible capital assets	(527,351)	(1,961,139)	1,433,788
	7,057,288	8,019,091	(961,803)
Amortization expenses	5,664,394	5,850,137	(185,743)
Write-down/disposal loss of tangible capital assets	941,809	-	941,809
Total expenses	**130,372,954**	**126,350,982**	**4,021,972**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Energy, Mines and Resources			
Operations and maintenance			
Corporate services	$ 2,860,167	$ 3,030,944	$ (170,777)
Sustainable resources	5,860,515	6,090,998	(230,483)
Energy and corporate policy	3,129,895	3,068,455	61,440
Oil and gas and mineral resources	18,506,434	18,877,103	(370,669)
Yukon placer regime	314,225	541,396	(227,171)
Client services and inspections	4,569,604	4,758,767	(189,163)
	35,240,840	36,367,663	(1,126,823)
Capital			
Corporate services	444,174	673,387	(229,213)
Sustainable resources	944,390	1,545,063	(600,673)
Energy and corporate policy	62,376	10,000	52,376
Oil and gas and mineral resources	2,273,816	1,622,326	651,490
	3,724,756	3,850,776	(126,020)
Less: Acquisition of tangible capital assets	(330,388)	(348,680)	18,292
Land development costs transferred to land held for sale	(55,989)	(127,200)	71,211
	3,338,379	3,374,896	(36,517)
Amortization expenses	180,759	104,363	76,396
Total expenses	**38,759,978**	**39,846,922**	**(1,086,944)**
Environment			
Operations and maintenance			
General management	375,083	317,867	57,216
Corporate services	5,615,809	5,039,442	576,367
Environmental sustainability	18,801,114	16,587,417	2,213,697
Environmental liabilities	2,957,500	-	2,957,500
	27,749,506	21,944,726	5,804,780

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Environment			
Capital			
Corporate services	$ 655,013	$ 1,502,692	$ (847,679)
Environmental sustainability	999,629	1,221,670	(222,041)
	1,654,642	2,724,362	(1,069,720)
Less acquisition of tangible capital assets	(116,605)	(350,463)	233,858
	1,538,037	2,373,899	(835,862)
Amortization expenses	162,129	170,934	(8,805)
Total expenses	**29,449,672**	**24,489,559**	**4,960,113**
Finance			
Operations and maintenance			
Treasury	5,740,707	5,704,502	36,205
Workers' compensation supplementary benefits	397,030	395,999	1,031
Bad debts expense	47,329	-	47,329
	6,185,066	6,100,501	84,565
Capital			
Treasury	85,287	86,642	(1,355)
Amortization expenses	4,132	4,132	-
Total expenses	**6,274,485**	**6,191,275**	**83,210**
Health and Social Services			
Operations and maintenance			
Policy, planning and administration	6,747,741	5,630,887	1,116,854
Family and children's services	35,920,846	31,847,849	4,072,997
Social services	24,217,507	20,663,597	3,553,910
Continuing care	24,682,349	23,123,382	1,558,967
Health services	95,748,867	82,956,394	12,792,473
Yukon hospital services	35,387,063	31,017,000	4,370,063
Regional services	4,823,304	4,428,447	394,857
	227,527,677	199,667,556	27,860,121

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Health and Social Services			
Capital			
Policy, planning and administration	$ 2,123,389	$ 2,891,995	$ (768,606)
Family and children's services	684,810	1,372,597	(687,787)
Social services	88,731	44,548	44,183
Continuing care	669,913	1,131,039	(461,126)
Health services	1,238,700	2,057,479	(818,779)
Yukon hospital services	667,000	300,000	367,000
	5,472,543	7,797,658	(2,325,115)
Less acquisition of tangible capital assets	(1,307,720)	(2,097,688)	789,968
	4,164,823	5,699,970	(1,535,147)
Amortization expenses	2,086,558	1,474,962	611,596
Total expenses	**233,779,058**	**206,842,488**	**26,936,570**
Highways and Public Works			
Operations and maintenance			
Corporate services	4,352,498	4,718,888	(366,390)
Information and communications technology	8,218,741	7,847,793	370,948
Transportation	50,214,840	46,649,198	3,565,642
Supply services	3,513,265	3,227,995	285,270
Property management	32,762,389	29,460,265	3,302,124
French Language Services Directorate	2,069,951	2,045,804	24,147
Central Stores write-off	(11,030)	(3,569)	(7,461)
	101,120,654	93,946,374	7,174,280
Less capital lease payments transferred to capital lease obligations	(1,104,800)	(979,107)	(125,693)
	100,015,854	92,967,267	7,048,587

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Highways and Public Works			
Capital			
Corporate services	$ 592,031	$ 359,193	$ 232,838
Information and communications technology	11,036,602	3,569,521	7,467,081
Transportation	59,417,882	51,580,033	7,837,849
Property management	5,835,872	5,079,313	756,559
French Language Services Directorate	3,020	10,000	(6,980)
Supply services	-	50	(50)
	76,885,407	60,598,110	16,287,297
Less acquisition of tangible capital assets	(47,871,057)	(43,108,646)	(4,762,411)
	29,014,350	17,489,464	11,524,886
Amortization expenses	20,585,381	19,515,415	1,069,966
Write-down/disposal loss of tangible capital assets	-	4,886	(4,886)
Total expenses	**149,615,585**	**129,977,032**	**19,638,553**
Justice			
Operations and maintenance			
Management services	2,795,603	2,645,964	149,639
Court services	6,686,097	5,622,709	1,063,388
Legal services	4,995,337	4,704,216	291,121
Regulatory services	1,563,317	1,337,525	225,792
Community and correctional services	11,224,357	11,309,835	(85,478)
Crime prevention and policing	19,170,434	17,608,675	1,561,759
Human rights	582,007	695,503	(113,496)
	47,017,152	43,924,427	3,092,725

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Justice			
Capital			
Management services	$ 220,424	$ 498,910	$ (278,486)
Court services	14,769	86,833	(72,064)
Community and correctional services	4,040,698	914,926	3,125,772
Crime prevention and policing	19,555	18,072	1,483
	4,295,446	1,518,741	2,776,705
Less acquisition of tangible capital assets	(3,896,521)	(1,295,780)	(2,600,741)
	398,925	222,961	175,964
Amortization expenses	820,799	670,401	150,398
Total expenses	**48,236,876**	**44,817,789**	**3,419,087**
Public Service Commission			
Operations and maintenance			
Finance and administration	738,312	747,957	(9,645)
Corporate human resource services	3,021,848	2,789,306	232,542
Employee compensation	1,416,980	1,465,457	(48,477)
Staff relations	1,210,012	1,050,946	159,066
Workers' compensation fund	5,510,102	5,028,886	481,216
Human resource management systems	597,378	586,909	10,469
Policy, planning and communication	934,660	837,097	97,563
Employee future benefits	10,326,508	6,879,367	3,447,141
Staff development	3,635,326	3,866,178	(230,852)
	27,391,126	23,252,103	4,139,023
Capital			
Finance and administration	68,361	55,534	12,827
Staff development	7,000	6,598	402
	75,361	62,132	13,229
Less acquisition of tangible capital assets	(34,025)	-	(34,025)
	41,336	62,132	(20,796)

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Public Service Commission			
Amortization expenses	$ 7,605	$ 9,872	$ (2,267)
Total expenses	**27,440,067**	**23,324,107**	**4,115,960**
Tourism and Culture			
Operations and maintenance			
Corporate services	1,824,106	1,537,755	286,351
Cultural services	6,891,466	5,960,003	931,463
Tourism	8,494,377	8,964,428	(470,051)
	17,209,949	16,462,186	747,763
Less acquisition of tangible capital assets	(33,864)	(153,732)	119,868
	17,176,085	16,308,454	867,631
Capital			
Corporate services	213,679	314,705	(101,026)
Cultural services	2,396,073	2,825,004	(428,931)
Tourism	1,021,092	1,346,158	(325,066)
	3,630,844	4,485,867	(855,023)
Less acquisition of tangible capital assets	(17,529)	(44,723)	27,194
	3,613,315	4,441,144	(827,829)
Amortization expenses	616,105	612,190	3,915
Total expenses	**21,405,505**	**21,361,788**	**43,717**
Women's Directorate			
Operations and maintenance			
Policy and program development	1,147,428	1,156,802	(9,374)
Capital			
Policy and program development	4,670	7,206	(2,536)
Total expenses	**1,152,098**	**1,164,008**	**(11,910)**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses
for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Yukon Development Corporation (Transfer Payment)			
Capital			
Carmacks-Stewart Crossing - transmission line project	$ 10,000,000	$ -	$ 10,000,000
Aishihik Turbine	750,000	-	750,000
Total expenses	**10,750,000**	**-**	**10,750,000**
Yukon Housing Corporation (Transfer Payment)			
Operations and maintenance	3,171,299	2,483,195	688,104
Capital	5,689,041	3,629,275	2,059,766
Total expenses	**8,860,340**	**6,112,470**	**2,747,870**
Interest on Loans			
Operations and maintenance Interest	**-**	**77,189**	**(77,189)**
Restricted Funds			
Operations and maintenance Net expenses	(4,891,803)	(2,373,376)	(2,518,427)
Amortization expenses	2,832,732	3,008,793	(176,061)
Total expenses	**(2,059,071)**	**635,417**	**(2,694,488)**

GOVERNMENT OF YUKON

Schedule 3

Comparative Schedule of Expenses for the year ended March 31, 2009

	2009	2008 (Restated - Note 3)	Increase (Decrease)
Totals			
Operations and maintenance	$ 700,193,496	$ 643,360,972	$ 56,832,524
Capital	157,179,035	152,528,609	4,650,426
	857,372,531	795,889,581	61,482,950
Less: Acquisition of tangible capital assets	(58,068,726)	(53,550,755)	(4,517,971)
Land development costs transferred to land held for sale	(6,613,350)	(4,437,735)	(2,175,615)
Local improvement costs transferred to loans receivable	(1,061,104)	(786,154)	(274,950)
Capital lease payments transferred to capital lease obligations	(1,104,800)	(979,107)	(125,693)
	790,524,551	736,135,830	54,388,721
Amortization expenses	34,351,653	33,017,966	1,333,687
Write-down/disposal loss of tangible capital assets	961,809	4,886	956,923
	$ 825,838,013	**$ 769,158,682**	**$ 56,679,331**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Yukon Legislative Assembly						
Operations and maintenance						
Legislative services	$ 3,121,000	$ -	$ (100,000)	$ 3,021,000	$ 2,895,489	$ 125,511
Legislative Assembly Office	681,000	-	120,000	801,000	786,697	14,303
Retirement allowances and death benefits	762,000	1,000,000	5,000	1,767,000	1,781,987	(14,987)
Hansard	451,000	-	(25,000)	426,000	416,943	9,057
Conflicts Commission	50,000	-	-	50,000	36,830	13,170
	5,065,000	**1,000,000**	**-**	**6,065,000**	**5,917,946**	**147,054**
Capital						
Legislative Assembly Office	**138,000**	**-**	**-**	**138,000**	**138,090**	**(90)**
Less acquisition of tangible capital assets	-	(110,000)	-	(110,000)	(106,365)	(3,635)
	138,000	(110,000)	-	28,000	31,725	(3,725)
Amortization expense	4,000	-	-	4,000	4,168	(168)
Total expenses	5,207,000	890,000	-	6,097,000	5,953,839	143,161

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Elections Office						
Operations and maintenance						
Elections	$ 360,000	$ -	$ -	$ 360,000	$ 314,308	$ 45,692
Capital						
Elections	5,000	-	-	5,000	5,000	-
Total expenses	365,000	-	-	365,000	319,308	45,692
Office of the Ombudsman						
Operations and maintenance						
Office of the Ombudsman	504,000	20,000	-	524,000	515,766	8,234
Capital						
Office of the Ombudsman	5,000	-	-	5,000	4,999	1
Total expenses	509,000	20,000	-	529,000	520,765	8,235

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Executive Council Office						
Operations and maintenance						
Corporate services	$ 4,018,000	$ 33,000	$ -	$ 4,051,000	$ 4,031,685	$ 19,315
Land Claims and Implementation Secretariat	7,405,000	-	-	7,405,000	6,122,247	1,282,753
Intergovernmental relations	1,120,000	-	-	1,120,000	1,170,859	(50,859)
Government audit services	508,000	(50,000)	-	458,000	306,531	151,469
Governance liaison and capacity development	1,025,000	316,000	-	1,341,000	602,312	738,688
Office of the Commissioner	154,000	-	-	154,000	159,252	(5,252)
Development assessment	1,013,000	300,000	-	1,313,000	1,007,316	305,684
Cabinet Offices	2,435,000	(19,000)	-	2,416,000	2,452,630	(36,630)
Yukon Water Board Secretariat	1,002,000	-	-	1,002,000	729,391	272,609
Youth Directorate	623,000	105,000	-	728,000	706,314	21,686
Northern strategy	4,715,000	967,000	-	5,682,000	2,186,505	3,495,495
	24,018,000	**1,652,000**	**-**	**25,670,000**	**19,475,042**	**6,194,958**
Capital						
Corporate services	114,000	8,000	-	122,000	112,091	9,909
Land Claims and Implementation Secretariat	157,000	-	-	157,000	62,960	94,040
Governance liaison and capacity development	290,000	175,000	-	465,000	80,833	384,167
Youth Directorate	200,000	-	-	200,000	200,000	-
	761,000	**183,000**	**-**	**944,000**	**455,884**	**488,116**
Amortization expense	16,000	-	-	16,000	15,565	435
Total expenses	24,795,000	1,835,000	-	26,630,000	19,946,491	6,683,509

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Community Services						
Operations and maintenance						
Corporate services	$ 4,846,000	$ 93,000	$ -	$ 4,939,000	$ 5,011,414	$ (72,414)
Protective services	20,014,000	1,361,000	-	21,375,000	21,527,832	(152,832)
Community development	30,015,000	1,562,000	-	31,577,000	30,999,754	577,246
Consumer and safety services	4,448,000	(8,000)	-	4,440,000	4,525,742	(85,742)
	59,323,000	**3,008,000**	**-**	**62,331,000**	**62,064,742**	**266,258**
Capital						
Corporate services	972,000	130,000	-	1,102,000	642,546	459,454
Protective services	3,006,000	2,265,000	-	5,271,000	4,006,409	1,264,591
Community development	53,744,000	(2,268,000)	-	51,476,000	24,703,213	26,772,787
	57,722,000	**127,000**	**-**	**57,849,000**	**29,352,168**	**28,496,832**
Less: Acquisition of tangible capital assets	(4,012,000)	(1,253,000)	-	(5,265,000)	(3,787,301)	(1,477,699)
Land development costs transferred to land held for sale	(27,350,000)	10,591,000	-	(16,759,000)	(6,557,361)	(10,201,639)
Local improvement costs transferred to loans receivable	(1,200,000)	(298,000)	-	(1,498,000)	(1,061,104)	(436,896)
	25,160,000	9,167,000	-	34,327,000	17,946,402	16,380,598
Amortization expense	1,929,000	(221,000)	-	1,708,000	1,334,399	373,601
Write-down/disposal loss of tangible capital assets	-	-	-	-	20,000	(20,000)
Total expenses	86,412,000	11,954,000	-	98,366,000	81,365,543	17,000,457

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Economic Development						
Operations and maintenance						
Corporate services	$ 1,243,000	$ (100,000)	$ -	$ 1,143,000	$ 1,122,373	$ 20,627
Corporate planning and economic policy	1,448,000	-	-	1,448,000	1,457,181	(9,181)
Business and trade	1,258,000	21,000	133,000	1,412,000	1,418,557	(6,557)
Regional economic development	915,000	(100,000)	(50,000)	765,000	773,135	(8,135)
Strategic industries development	1,844,000	(66,000)	(83,000)	1,695,000	1,556,089	138,911
	6,708,000	**(245,000)**	**-**	**6,463,000**	**6,327,335**	**135,665**
Capital						
Corporate services	82,000	16,000	-	98,000	88,140	9,860
Corporate planning and economic policy	200,000	-	(40,000)	160,000	117,770	42,230
Business and trade	1,806,000	364,000	40,000	2,210,000	1,461,945	748,055
Regional economic development	4,500,000	510,000	-	5,010,000	4,097,399	912,601
Strategic industries development	2,735,000	1,147,000	-	3,882,000	1,605,004	2,276,996
	9,323,000	**2,037,000**	**-**	**11,360,000**	**7,370,258**	**3,989,742**
Less acquisition of tangible capital assets	(40,000)	-	-	(40,000)	(40,000)	-
	9,283,000	2,037,000	-	11,320,000	7,330,258	3,989,742
Amortization expense	36,000	1,000	-	37,000	36,927	73
Total expenses	16,027,000	1,793,000	-	17,820,000	13,694,520	4,125,480

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Education						
Operations and maintenance						
Education support services	$ 6,154,000	$ 523,000	$ (94,000)	$ 6,583,000	$ 6,337,398	$ 245,602
Public schools	81,160,000	2,820,000	94,000	84,074,000	84,389,086	(315,086)
Advanced education	8,005,000	707,000	-	8,712,000	7,845,871	866,129
Yukon College	18,390,000	73,000	-	18,463,000	18,137,108	325,892
	113,709,000	**4,123,000**	**-**	**117,832,000**	**116,709,463**	**1,122,537**
Capital						
Education support services	48,000	56,000	-	104,000	82,533	21,467
Public schools	4,987,000	853,000	-	5,840,000	4,440,150	1,399,850
Advanced education	1,720,000	286,000	-	2,006,000	1,583,142	422,858
Yukon College	1,354,000	691,000	-	2,045,000	1,478,814	566,186
	8,109,000	**1,886,000**	**-**	**9,995,000**	**7,584,639**	**2,410,361**
Less acquisition of tangible capital assets	(613,000)	115,000	-	(498,000)	(527,351)	29,351
	7,496,000	2,001,000	-	9,497,000	7,057,288	2,439,712
Amortization expense	5,653,000	8,000	-	5,661,000	5,664,394	(3,394)
Write-down/disposal loss of tangible capital assets	942,000	-	-	942,000	941,809	191
Total expenses	127,800,000	6,132,000	-	133,932,000	130,372,954	3,559,046

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Energy, Mines and Resources						
Operations and maintenance						
Corporate services	$ 3,101,000	$ -	$ -	$ 3,101,000	$ 2,860,167	$ 240,833
Sustainable resources	5,799,000	46,000	-	5,845,000	5,860,515	(15,515)
Energy and corporate policy	3,397,000	52,000	-	3,449,000	3,129,895	319,105
Oil and gas and mineral resources	19,409,000	1,316,000	-	20,725,000	18,506,434	2,218,566
Yukon placer regime	329,000	-	-	329,000	314,225	14,775
Client services and inspections	4,886,000	(80,000)	-	4,806,000	4,569,604	236,396
	36,921,000	**1,334,000**	**-**	**38,255,000**	**35,240,840**	**3,014,160**
Capital						
Corporate services	403,000	130,000	-	533,000	444,174	88,826
Sustainable resources	1,612,000	286,000	-	1,898,000	944,390	953,610
Energy and corporate policy	50,000	-	-	50,000	62,376	(12,376)
Oil and gas and mineral resources	1,575,000	817,000	-	2,392,000	2,273,816	118,184
	3,640,000	**1,233,000**	**-**	**4,873,000**	**3,724,756**	**1,148,244**
Less: Acquisition of tangible capital assets	(464,000)	(136,000)	-	(600,000)	(330,388)	(269,612)
Land development costs transferred to land held for sale	(100,000)	-	-	(100,000)	(55,989)	(44,011)
	3,076,000	1,097,000	-	4,173,000	3,338,379	834,621
Amortization expense	114,000	(10,000)	-	104,000	180,759	(76,759)
Total expenses	40,111,000	2,421,000	-	42,532,000	38,759,978	3,772,022

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Environment						
Operations and maintenance						
General management	$ 326,000	$ 38,000	$ 9,000	$ 373,000	$ 375,083	$ (2,083)
Corporate services	5,502,000	10,000	148,000	5,660,000	5,615,809	44,191
Environmental sustainability	18,592,000	932,000	(157,000)	19,367,000	18,801,114	565,886
Environmental liabilities	-	2,200,000	-	2,200,000	2,957,500	(757,500)
	24,420,000	**3,180,000**	**-**	**27,600,000**	**27,749,506**	**(149,506)**
Capital						
Corporate services	752,000	235,000	-	987,000	655,013	331,987
Environmental sustainability	1,060,000	155,000	-	1,215,000	999,629	215,371
	1,812,000	**390,000**	**-**	**2,202,000**	**1,654,642**	**547,358**
Less acquisition of tangible capital assets	(163,000)	(205,000)	-	(368,000)	(116,605)	(251,395)
	1,649,000	185,000	-	1,834,000	1,538,037	295,963
Amortization expense	163,000	-	-	163,000	162,129	871
Total expenses	26,232,000	3,365,000	-	29,597,000	29,449,672	147,328

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Finance						
Operations and maintenance						
Treasury	$ 6,245,000	$ (48,000)	$ -	$ 6,197,000	$ 5,740,707	$ 456,293
Workers' compensation supplementary benefits	426,000	-	-	426,000	397,030	28,970
Bad debts expense	48,000	-	-	48,000	47,329	671
	6,719,000	**(48,000)**	**-**	**6,671,000**	**6,185,066**	**485,934**
Capital						
Treasury	**278,000**	**40,000**	**-**	**318,000**	**85,287**	**232,713**
Amortization expense	4,000	-	-	4,000	4,132	(132)
Total expenses	7,001,000	(8,000)	-	6,993,000	6,274,485	718,515

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Health and Social Services						
Operations and maintenance						
Policy, planning and administration	$ 6,023,000	$ 386,000	$ -	$ 6,409,000	$ 6,747,741	$ (338,741)
Family and children's services	34,296,000	1,883,000	-	36,179,000	35,920,846	258,154
Social services	23,131,000	1,350,000	-	24,481,000	24,217,507	263,493
Continuing care	25,812,000	(524,000)	-	25,288,000	24,682,349	605,651
Health services	84,532,000	9,202,000	-	93,734,000	95,748,867	(2,014,867)
Yukon hospital services	31,020,000	4,385,000	-	35,405,000	35,387,063	17,937
Regional services	4,395,000	222,000	-	4,617,000	4,823,304	(206,304)
	209,209,000	**16,904,000**	**-**	**226,113,000**	**227,527,677**	**(1,414,677)**
Capital						
Policy, planning and administration	2,378,000	1,029,000	34,000	3,441,000	2,123,389	1,317,611
Family and children's services	75,000	852,000	48,000	975,000	684,810	290,190
Social services	27,000	64,000	20,000	111,000	88,731	22,269
Continuing care	7,242,000	(6,314,000)	-	928,000	669,913	258,087
Health services	1,109,000	1,018,000	(102,000)	2,025,000	1,238,700	786,300
Yukon hospital services	300,000	367,000	-	667,000	667,000	-
	11,131,000	**(2,984,000)**	**-**	**8,147,000**	**5,472,543**	**2,674,457**
Less acquisition of tangible capital assets	(7,093,000)	4,749,000	-	(2,344,000)	(1,307,720)	(1,036,280)
	4,038,000	1,765,000	-	5,803,000	4,164,823	1,638,177
Amortization expense	2,919,000	13,000	-	2,932,000	2,086,558	845,442
Total expenses	216,166,000	18,682,000	-	234,848,000	233,779,058	1,068,942

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Highways and Public Works						
Operations and maintenance						
Corporate services	$ 4,904,000	$ (404,000)	$ 3,000	$ 4,503,000	$ 4,352,498	$ 150,502
Information and communications technology	8,753,000	25,000	(253,000)	8,525,000	8,218,741	306,259
Transportation	48,273,000	1,707,000	250,000	50,230,000	50,214,840	15,160
Supply services	3,310,000	248,000	-	3,558,000	3,513,265	44,735
Property management	32,203,000	430,000	-	32,633,000	32,762,389	(129,389)
French Language Services Directorate	2,010,000	40,000	-	2,050,000	2,069,951	(19,951)
Central stores writeoff	-	-	-	-	(11,030)	11,030
	99,453,000	**2,046,000**	**-**	**101,499,000**	**101,120,654**	**378,346**
Less capital lease payments transferred to capital lease obligations	-	-	-	-	(1,104,800)	1,104,800
	99,453,000	2,046,000	-	101,499,000	100,015,854	1,483,146
Capital						
Corporate services	608,000	121,000	(48,000)	681,000	592,031	88,969
Information and communications technology	6,383,000	6,809,000	50,000	13,242,000	11,036,602	2,205,398
Transportation	58,552,000	7,403,000	(2,000)	65,953,000	59,417,882	6,535,118
Property management	5,142,000	1,519,000	-	6,661,000	5,835,872	825,128
French Language Services Directorate	10,000	-	-	10,000	3,020	6,980
	70,695,000	**15,852,000**	**-**	**86,547,000**	**76,885,407**	**9,661,593**
Less acquisition of tangible capital assets	(50,422,000)	(4,097,000)	-	(54,519,000)	(47,871,057)	(6,647,943)
	20,273,000	11,755,000	-	32,028,000	29,014,350	3,013,650

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Highways and Public Works						
Amortization expense	$ 19,564,000	$ 864,000	$ -	$ 20,428,000	$ 20,585,381	$ (157,381)
Total expenses	139,290,000	14,665,000	-	153,955,000	149,615,585	4,339,415
Justice						
Operations and maintenance						
Management services	2,665,000	175,000	-	2,840,000	2,795,603	44,397
Court services	5,441,000	610,000	-	6,051,000	6,686,097	(635,097)
Legal services	5,095,000	19,000	-	5,114,000	4,995,337	118,663
Regulatory services	1,383,000	-	220,000	1,603,000	1,563,317	39,683
Community and correctional services	10,936,000	739,000	(220,000)	11,455,000	11,224,357	230,643
Crime prevention and policing	18,410,000	3,686,000	-	22,096,000	19,170,434	2,925,566
Human rights	516,000	-	-	516,000	582,007	(66,007)
	44,446,000	**5,229,000**	**-**	**49,675,000**	**47,017,152**	**2,657,848**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Justice						
Capital						
Management services	$ 371,000	$ (45,000)	$ -	$ 326,000	$ 220,424	$ 105,576
Court services	94,000	-	-	94,000	14,769	79,231
Community and correctional services	6,413,000	(2,970,000)	-	3,443,000	4,040,698	(597,698)
Crime prevention and policing	-	24,000	-	24,000	19,555	4,445
	6,878,000	**(2,991,000)**	**-**	**3,887,000**	**4,295,446**	**(408,446)**
Less acquisition of tangible capital assets	(6,474,000)	3,098,000	-	(3,376,000)	(3,896,521)	520,521
	404,000	107,000	-	511,000	398,925	112,075
Amortization expense	1,008,000	28,000	-	1,036,000	820,799	215,201
Total expenses	45,858,000	5,364,000	-	51,222,000	48,236,876	2,985,124

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Public Service Commission						
Operations and maintenance						
Finance and administration	$ 614,000	$ 4,000	$ -	$ 618,000	$ 738,312	$ (120,312)
Corporate human resource services	3,184,000	199,000	-	3,383,000	3,021,848	361,152
Employee compensation	1,509,000	1,000	-	1,510,000	1,416,980	93,020
Staff relations	1,227,000	3,000	-	1,230,000	1,210,012	19,988
Workers' compensation fund	5,330,000	320,000	-	5,650,000	5,510,102	139,898
Human resource management systems	577,000	1,000	-	578,000	597,378	(19,378)
Policy, planning and communication	934,000	(2,000)	-	932,000	934,660	(2,660)
Employee future benefits	17,465,000	(6,176,000)	-	11,289,000	10,326,508	962,492
Staff development	3,932,000	403,000	-	4,335,000	3,635,326	699,674
	34,772,000	**(5,247,000)**	**-**	**29,525,000**	**27,391,126**	**2,133,874**
Capital						
Finance and administration	15,000	61,000	-	76,000	68,361	7,639
Staff development	7,000	-	-	7,000	7,000	-
	22,000	**61,000**	**-**	**83,000**	**75,361**	**7,639**
Less acquisition of tangible capital assets	-	(34,000)	-	(34,000)	(34,025)	25
	22,000	27,000	-	49,000	41,336	7,664
Amortization expense	7,000	-	-	7,000	7,605	(605)
Total expenses	34,801,000	(5,220,000)	-	29,581,000	27,440,067	2,140,933

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Tourism and Culture						
Operations and maintenance						
Corporate services	$ 1,680,000	$ (10,000)	$ -	$ 1,670,000	$ 1,824,106	$ (154,106)
Cultural services	6,864,000	981,000	-	7,845,000	6,891,466	953,534
Tourism	7,754,000	664,000	-	8,418,000	8,494,377	(76,377)
	16,298,000	**1,635,000**	**-**	**17,933,000**	**17,209,949**	**723,051**
Less acquisition of tangible capital assets	-	(125,000)	-	(125,000)	(33,864)	(91,136)
	16,298,000	1,510,000	-	17,808,000	17,176,085	631,915
Capital						
Corporate services	215,000	94,000	-	309,000	213,679	95,321
Cultural services	2,637,000	302,000	-	2,939,000	2,396,073	542,927
Tourism	1,320,000	139,000	-	1,459,000	1,021,092	437,908
	4,172,000	**535,000**	**-**	**4,707,000**	**3,630,844**	**1,076,156**
Less acquisition of tangible capital assets	-	-	-	-	(17,529)	17,529
	4,172,000	535,000	-	4,707,000	3,613,315	1,093,685
Amortization expense	610,000	-	-	610,000	616,105	(6,105)
Total expenses	21,080,000	2,045,000	-	23,125,000	21,405,505	1,719,495

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Women's Directorate						
Operations and maintenance						
Policy and program development	**$ 1,125,000**	**$ 79,000**	**$ -**	**$ 1,204,000**	**$ 1,147,428**	**$ 56,572**
Capital						
Policy and program development	**5,000**	-	-	**5,000**	**4,670**	**330**
Amortization expense	2,000	(2,000)	-	-	-	-
Total expenses	1,132,000	77,000	-	1,209,000	1,152,098	56,902
Yukon Development Corporation (Transfer Payment)						
Capital						
Carmacks-Stewart Crossing - transmission line project	10,000,000	-	-	10,000,000	10,000,000	-
Aishihik Turbine	1,500,000	(750,000)	-	750,000	750,000	-
	11,500,000	**(750,000)**	**-**	**10,750,000**	**10,750,000**	**-**

GOVERNMENT OF YUKON

Schedule 4

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Yukon Housing Corporation (Transfer Payment)						
Operations and maintenance	**$ 3,814,000**	**$ 345,000**	**$ -**	**$ 4,159,000**	**$ 3,171,299**	**$ 987,701**
Capital	**3,569,000**	**1,370,000**	**-**	**4,939,000**	**5,689,041**	**(750,041)**
Total expenses	7,383,000	1,715,000	-	9,098,000	8,860,340	237,660
Restricted Funds						
Operations and maintenance Net expenses	-	-	-	-	(4,891,803)	4,891,803
Amortization expense	-	-	-	-	2,832,732	(2,832,732)
Total expenses	-	-	-	-	(2,059,071)	2,059,071

GOVERNMENT OF YUKON

Schedule of Expenses by Department
for the year ended March 31, 2009

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual	Under (Over) Estimates
Totals						
Operations and maintenance	$ 686,864,000	$ 35,015,000	$ -	$ 721,879,000	$ 700,193,496	$ 21,685,504
Capital	189,765,000	16,989,000	-	206,754,000	157,179,035	49,574,965
Less: Acquisition of tangible capital assets	(69,281,000)	2,002,000	-	(67,279,000)	(58,068,726)	(9,210,274)
Land development costs transferred to land held for sale	(27,450,000)	10,591,000	-	(16,859,000)	(6,613,350)	(10,245,650)
Local improvement costs transferred to loans receivable	(1,200,000)	(298,000)	-	(1,498,000)	(1,061,104)	(436,896)
Capital lease payments transferred to capital lease obligations	-	-	-	-	(1,104,800)	1,104,800
Amortization expense	32,029,000	681,000	-	32,710,000	34,351,653	(1,641,653)
Write-down/disposal loss of tangible capital assets	942,000	-	-	942,000	961,809	(19,809)
	$ 811,669,000	**$ 64,980,000**	**$ -**	**$ 876,649,000**	**$ 825,838,013**	**$ 50,810,987**

GOVERNMENT OF YUKON

Schedule 5

Schedule of Recoveries of Prior Years' Expenses for the year ended March 31, 2009

Department	Over Accruals	Other Recoveries	Total
Highways and Public Works	$ 108,322	$ 165,189	$ 273,511
Tourism and Culture	95,595	1,185	96,780
Community Services	101,530	(11,950)	89,580
Economic Development	83,835	1,000	84,835
Health and Social Services	81,290	1,061	82,351
Environment	64,844	-	64,844
Energy, Mines & Resources	13,414	42,250	55,664
Justice	3,000	39,673	42,673
Executive Council Office	20,356	-	20,356
Education	-	1,103	1,103
	$ 572,186	**$ 239,511**	**$ 811,697**

GOVERNMENT OF YUKON

Schedule 6

Schedule of Restricted Funds
for the year ended March 31, 2009

	Recycling Fund	Youth Investment Fund	Health Investment Fund	Conservation Fund	Road and Airport Equipment Reserve Fund	Queen's Printer Revolving Fund	Vehicle Fleet Revolving Fund	Wildland Fire Suppression Fund	Risk Management Revolving Fund	2009 Total	2008 Total
Revenues											
Appropriation	$ -	$ 138,000	$ 75,000	$ -	$ -	$ -	$ 212,000	$ 6,455,000	$ 670,513	$ 7,550,513	$ 25,398,396
Operating	2,836,107	-	-	13,743	12,571,251	573,901	3,904,170	1,111,207	159,205	21,169,584	33,056,962
	2,836,107	138,000	75,000	13,743	12,571,251	573,901	4,116,170	7,566,207	829,718	28,720,097	58,455,358
Expenses											
Operating	2,642,779	76,115	63,687	-	10,560,971	582,635	2,931,675	4,683,997	808,953	22,350,812	54,501,852
Amortization	-		-	-	1,854,255	43,257	935,219	-	-	2,832,731	3,008,792
	2,642,779	76,115	63,687	-	12,415,226	625,892	3,866,894	4,683,997	808,953	25,183,543	57,510,644
Net profit (loss) from operations	193,328	61,885	11,313	13,743	156,025	(51,991)	249,276	2,882,210	20,765	3,536,554	944,714
Excess profit returned to appropriation	-	-	-	-	-	-	-	-	-	-	(286,584)
Net profit (loss) for the year	193,328	61,885	11,313	13,743	156,025	(51,991)	249,276	2,882,210	20,765	3,536,554	658,130
Adjustments for the *Financial Administration Act* requirements											
Acquisition of capital assets	-		-	-	(878,816)	-	(1,187,822)	-	-	(2,066,638)	(2,338,855)
Amortization of capital assets net of amortization of deferred capital contributions	-		-	-	1,854,255	43,257	935,219	-	-	2,832,731	2,952,493
(Gain) loss on sale of capital assets	-		-	-	(138,131)	-	34,274	-	-	(103,857)	89,593
Write-down of capital assets	-		-	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	-		-	-	138,131	-	55,106	-	-	193,237	214,118
Balance at beginning of year	815,165	21,502	98,161	75,556	6,397,985	30,785	333,153	2,883,843	3,925,877	14,582,027	13,006,548
Balance at end of year	$ 1,008,493	$ 83,387	$ 109,474	$ 89,299	$ 7,529,449	$ 22,051	$ 419,206	$ 5,766,053	$ 3,946,642	$ 18,974,054	$ 14,582,027

GOVERNMENT OF YUKON

Schedule 6

Schedule of Restricted Funds
for the year ended March 31, 2009

	Recycling Fund	Youth Investment Fund	Health Investment Fund	Conservation Fund	Road and Airport Equipment Reserve Fund	Queen's Printer Revolving Fund	Vehicle Fleet Revolving Fund	Wildland Fire Suppression Fund	Risk Management Revolving Fund	2009 Total	2008 Total
Assets and liabilities that are specific to each Fund and included in the Government's assets and liabilities are as follows:											
Assets											
Accounts receivable	$ 326,295	$ -	$ -	$ -	$ -	$ 3,719	$ 16,526	$ -	$ -	$ 346,540	$ 289,121
Tangible capital assets	-	-	-	-	13,538,362	121,839	4,888,834	-	-	18,549,035	19,400,529
(Deferred capital contributions)	-	-	-	-	-	-	(188,545)	-	-	(188,545)	(184,566)
	326,295	-	-	-	13,538,362	125,558	4,716,815	-	-	18,707,030	19,505,084
Liabilities											
Accounts payable and accrued liabilities	40,713	-	-	-	-	22,052	486,134	-	1,132,537	1,681,436	1,159,699
Accumulated surplus (deficit) of the Funds that are included in the Government's accumulated surplus are as follows:											
Accumulated surplus (deficit)	$ 1,008,493	$ 83,387	$ 109,474	$ 89,299	$ 21,067,812	$ (185,814)	$ 2,604,870	$ 5,766,053	$ 3,946,642	$ 34,490,216	$ 30,953,662

GOVERNMENT OF YUKON

Schedule 7

Schedule of Inventories of Supplies
for the year ended March 31, 2009

	Garage Parts and Fuel Inventory Revolving Fund	Central Stores Revolving Fund	Highway Materials Revolving Fund	Fire Management Fuel & Retardant Inventory	Faro Mine Site Parts and Fuel Inventory	2009 Total	2008 Total
Opening inventory	$ 1,329,838	$ 580,103	$ 1,713,154	$ 729,647	$ -	$ 4,352,742	$ 4,038,625
Add purchases	2,674,699	1,486,969	2,675,310	519,985	609,669	7,966,632	6,938,011
	4,004,537	2,067,072	4,388,464	1,249,632	609,669	12,319,374	10,976,636
Less: Consumption	2,585,419	1,433,169	2,326,281	254,805	-	6,599,674	6,627,502
Inventory adjustments	-	(9,907)	640	-	-	(9,267)	(3,608)
Closing inventory	**$ 1,419,118**	**$ 643,810**	**$ 2,061,543**	**$ 994,827**	**$ 609,669**	**$ 5,728,967**	**$ 4,352,742**

GOVERNMENT OF YUKON

Schedule 8

Schedule of Legislated Grants
for the year ended March 31, 2009

	Main Estimates	Revised Estimates	Actual	Under (Over) Estimates
Community Services				
Comprehensive municipal grants	$ 13,346,000	$ 13,346,000	$ 13,345,511	$ 489
In lieu of property taxes	4,607,000	4,983,000	4,982,076	924
Home owner grants	3,095,000	3,170,000	3,064,647	105,353
	21,048,000	**21,499,000**	**21,392,234**	**106,766**
Education				
Post secondary student grants	4,548,000	4,548,000	4,100,348	447,652
Student accommodation (boarding subsidy)	115,000	115,000	117,435	(2,435)
Student transportation	116,000	116,000	102,564	13,436
	4,779,000	**4,779,000**	**4,320,347**	**458,653**
Health and Social Services				
Social assistance - Whitehorse	8,017,000	9,600,000	9,286,368	313,632
Child care subsidies	2,624,000	2,235,000	2,273,012	(38,012)
Pioneer utility grant	1,526,000	1,240,000	1,267,770	(27,770)
Medical travel subsidies	993,000	1,291,000	1,184,746	106,254
Social assistance - region	954,000	1,110,000	1,036,787	73,213
Yukon seniors' income supplement	228,000	378,000	359,462	18,538
In lieu of property taxes - continuing care	240,000	222,000	222,014	(14)
Adoption subsidies	121,000	153,000	171,656	(18,656)
In lieu of property taxes - community nursing	62,000	96,000	96,084	(84)
	14,765,000	**16,325,000**	**15,897,899**	**427,101**
	$ 40,592,000	**$ 42,603,000**	**$ 41,610,480**	**$ 992,520**

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Executive Council Office				
Other transfers				
Land claims and implementation				
- implementation initiatives	$ 3,254,000	$ 3,254,000		$ 2,756,074
- Yukon Land Use Planning Commission			$ 970,354	
- Yukon Fish & Wildlife Management Board			496,249	
- Yukon Heritage Resources Board			190,044	
- North Yukon Renewable Resources Council			119,191	
- Alsek Renewable Resources Council			114,191	
- Teslin Renewable Resources Council			114,191	
- Mayo District Renewable Resources Council			114,191	
- Selkirk Renewable Resources Council			114,191	
- Carmacks Renewable Resources Council			114,191	
- Dawson District Renewable Resources Council			114,191	
- Laberge Renewable Resources Council			114,191	
- Dan Keyi Renewable Resources Council			114,191	
- Yukon Geographical Place Names Board			66,708	
- various First Nations	50,000	50,000		27,170
- Kwanlin Dun First Nation			27,170	
- First Nations organizations	10,000	10,000		-
Northern strategy - various First Nations	4,715,000	5,682,000		2,186,505
- Ta'an Kwach'an Council			1,245,066	
- Tr'ondek Hwech'in First Nation			410,671	
- Nacho Nyak Dun First Nation			136,000	
- Liard First Nation			123,018	
- Champagne and Aishihik First Nations			100,000	
- Little Salmon Carmacks First Nation			67,750	
- Carcross Tagish First Nations			50,000	
- Council of Yukon First Nation			50,000	
- Teslin Tlingit Council			4,000	
Northern strategy - governance liaison and capacity development				
- Champagne and Aishihik First Nations	240,000	312,000		157,135
- capacity development for land and resource management and development	210,000	435,000		76,000
- Vuntut Gwitchin First Nation			23,000	
- Kwanlin Dun First Nation			53,000	
Youth strategy initiatives	499,000	499,000		492,453
- Boys & Girls Club of Whitehorse			110,000	
- Bring Youth Towards Equality Society			110,000	
- Youth of Today Society			110,000	
- Youth Investment Fund			102,000	
- Association franco-yukonnaise			23,750	
- various youth groups			36,703	
Youth strategy initiatives	200,000	200,000		200,000
- Youth Investment Fund			36,000	
- Carcross Recreation Board			10,250	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Executive Council Office				
Other transfers (continued)				
Youth strategy initiatives (continued)				
- Champagne and Aishihik First Nations			$ 10,250	
- Kluane First Nation			10,250	
- Kwanlin Dun First Nation			10,250	
- Lorne Mountain Community Association			10,250	
- Marsh Lake Community Association			10,250	
- Selkirk First Nation			10,250	
- Tagish Community Association			10,250	
- Teslin Community Association			10,250	
- Town of Watson Lake			10,250	
- Town of Faro			10,250	
- Tr'ondek Hwech'in First Nation			10,250	
- Village of Carmacks			10,250	
- Village of Mayo			10,250	
- Vuntut Gwitchin First Nation			10,250	
- White River First Nation			10,250	
First Nations support agreements	$ 290,000	$ 465,000		$ 80,833
- Council of Yukon First Nations			80,833	
Yukon Hospital Foundation	-	75,000		75,000
Vuntut Gwitchin First Nation	50,000	50,000		50,000
Canadian Red Cross	-	25,000		25,000
Klondike Visitors Association	10,000	10,000		10,000
Various transfer payments less than $10,000	10,000	10,000		9,600
Total other government transfers	**9,538,000**	**11,077,000**		**6,145,770**
Community Services				
Funding programs				
Sport	1,590,000	1,590,000		1,629,941
FireSmart	850,000	850,000		778,746
Community recreation/active living	678,000	678,000		616,314
	3,118,000	3,118,000		3,025,001
Other transfers				
Municipal rural infrastructure fund	11,662,000	10,698,000		7,531,164
- City of Whitehorse - Hamilton Boulevard			7,326,889	
- Tr'ondek Hwech'in First Nation - playground			81,805	
- City of Whitehorse - Mount Sima ski chalet			57,005	
- Nacho Nyak Dun First Nation - cemetery access road			26,105	
- City of Dawson - recreation centre upgrade			25,409	
- Champagne and Aishihik First Nations - water, sewer and roads			15,190	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

Community Services

Other transfers (continued)

	Main Estimates	Revised Estimates		Actual
Municipal rural infrastructure fund (continued)				
- various recipients			$ (1,239)	
Canadian strategic infrastructure fund	$ 6,525,000	$ 13,117,000		$ 4,075,268
- Village of Carmacks - sewage treatment			2,755,946	
- City of Whitehorse - waterfront			713,650	
- City of Dawson - sewage treatment			605,672	
Immediate capital needs				473,540
- Town of Faro - water main replacement			237,097	
- Town of Watson Lake - water and sewer			100,841	
- Village of Teslin - backup generator			100,000	
- Village of Haines Junction - water and solid waste			30,602	
- Tagish - portable generator			5,000	
Public transit capital trust fund - City of Whitehorse	-	466,000		466,273
City of Dawson				431,890
- infrastructure	-	452,000	431,890	
- recreation centre renovation and rehabilitation	-	250,000	-	
Community library boards	-	328,000		310,883
- Watson Lake Library Board			50,360	
- Dawson City Library Board			46,262	
- Carcross Library Board			30,756	
- Teslin Library Board			30,209	
- Haines Junction Library Board			29,493	
- Carmacks Library Board			28,851	
- Mayo Library Board			24,452	
- Pelly Crossing Library Board			16,855	
- Tagish Library Board			14,742	
- Beaver Creek Library Board			13,147	
- Burwash Landing Library Board			11,903	
- various recipients			13,853	
Emergency medical services				205,000
- Volunteer Ambulance Services Society				
- volunteer bursary fund	-	120,000	120,000	
- volunteer awards fund	-	20,000	40,000	
- volunteer community allowances	-	30,000	30,000	
- City of Whitehorse - traffic control	-	-	15,000	
Great Northern Ski Society	-	200,000		200,000
Sport and recreation				120,488
- Kluane First Nation - youth and elders activity centre	500,000	1,012,000	96,108	
- recreation/community centres - various recipients	60,000	60,000	24,380	
2009 Canada Summer Games	-	120,000		120,000
Association of Yukon Communities	100,000	100,000		100,000
Mae Bachur Animal Shelter	75,000	75,000		75,000
Volunteer Bureau	67,000	67,000		67,000

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Community Services				
Other transfers (continued)				
Northern strategy				
- Yukon water and wastewater system operator capacity building - Yukon College	$ 390,000	$ 475,000		$ 60,000
- Old Crow emergency response/search and rescue	-	160,000		13,206
- Yukon College			$ 12,974	
- various recipients			232	
Community/local advisory council - Operations	70,000	70,000		54,496
- South Klondike Local Advisory Council			10,205	
- Hamlet of Mount Lorne			12,710	
- Marsh Lake Local Advisory Council			12,710	
- Hamlet of Ibex Valley			10,726	
- various recipients			8,145	
Dawson Humane Society	20,000	20,000		20,000
Industry Canada - National BizPal program	-	13,000		13,440
Aboriginal Sports Legacy Trust Fund	-	300,000		-
Old Crow riverbank stabilization	-	248,000		-
Various transfer payments less than $10,000	5,000	5,000		5,000
	19,474,000	28,406,000		14,342,648
Total other government transfers	**22,592,000**	**31,524,000**		**17,367,649**
Economic Development				
Funding programs				
Community development fund	2,950,000	3,404,000		2,675,890
Film and sound incentive programs	710,000	736,000		359,180
Enterprise trade fund	540,000	427,000		327,853
Strategic industries development fund	800,000	898,000		317,358
Regional economic development fund	405,000	382,000		254,006
	5,405,000	5,847,000		3,934,287
Other transfers				
Northern strategy				1,066,194
- Selkirk First Nation - towards sufficiency	750,000	854,000	837,674	
- Yukon College				
- Yukon cold climate innovation research	400,000	474,000	147,000	
- Council of Yukon First Nations - e-commerce	358,000	576,000	81,520	
Yukon College				329,164
- Technology Innovation Centre - capital	150,000	259,000	158,032	
- Technology Innovation Centre - operations	85,000	85,000	83,132	
- targeted investment program				
- Yukon cold climate innovation research	-	200,000	70,000	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Economic Development				
Other transfers (continued)				
Yukon College (continued)				
- international marketing	$ -	$ -	$ 18,000	
Dana Naye Ventures				$ 96,000
- micro loan program	73,000	73,000	73,000	
- business development program	110,000	382,000	23,000	
Yukon Chamber of Commerce				81,000
- Canada-Yukon Business Service Centre	45,000	45,000	45,000	
- operation support	36,000	36,000	36,000	
- Alaska trade show	8,000	8,000	-	
Trade initiatives	19,000	82,000		79,660
- Yukon Chamber of Commerce - opportunities North			63,935	
- Dana Naye Ventures - community future projects			12,500	
- Whitehorse Chamber of Commerce				
- Capital Cities Conference			1,725	
- partnering for success			1,500	
Music Yukon - operational support	50,000	55,000		54,625
Yukon Federation of Labour - operational support	36,000	36,000		36,000
Technology partnerships - community access program	67,000	314,000		29,000
- Yukon College			12,000	
- various recipients			17,000	
Yukon Building and Construction Trades Council	15,000	15,000		15,000
Business Development Bank of Canada				
- small business week	5,000	5,000		-
Yukon Information Technology Industry Society	15,000	15,000		-
Various transfer payments less than $10,000	-	5,000		9,973
	2,222,000	3,519,000		1,796,616
Total other government transfers	**7,627,000**	**9,366,000**		**5,730,903**
Education				
Funding programs				
Community training fund	1,500,000	1,740,000		1,299,430
Student training and employment program	366,000	366,000		351,669
Canada/Yukon summer program	114,000	114,000		93,486
	1,980,000	2,220,000		1,744,585

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Education				
Other transfers				
Yukon College				$ 19,665,921
- operational funding	$ 14,445,000	$ 14,445,000	$ 14,444,863	
- seat purchases	780,000	780,000	802,638	
- capital funding	750,000	750,000	750,000	
- pension fund	950,000	950,000	703,296	
- Yukon native teacher education program	540,000	540,000	540,000	
- post-secondary education infrastructure	417,000	708,000	505,034	
- School of Visual Arts	463,000	463,000	463,000	
- Bachelor of social work	370,000	370,000	370,000	
- older workers' initiative	260,000	333,000	319,977	
- licensed practical nurse program	368,000	368,000	279,813	
- licensed practical nurse program - capital	187,000	187,000	186,780	
- fetal alcohol syndrome disorder	137,000	137,000	136,520	
- innovators in school program	57,000	57,000	57,000	
- computer camp	-	-	50,000	
- Research Centre for Excellence	-	400,000	37,000	
- College Board	20,000	20,000	20,000	
Yukon Francophone School Board				726,450
- special initiatives	622,000	622,000	632,500	
- operations	84,000	84,000	93,950	
Council of Yukon First Nations				575,000
- Native language program	405,000	405,000	405,000	
- Education support	170,000	170,000	170,000	
Northern strategy				563,350
- Council of Yukon First Nations				
- boards/committees leadership training	133,000	133,000	133,350	
- revitalizing culture	270,000	-	-	
- walking together	-	150,000	150,000	
- Association of Yukon Communities				
- municipal/First Nation government training	280,000	280,000	280,000	
Yukon Learn Society	275,000	275,000		275,000
Home tutor program	365,000	436,000		270,136
- Learning Disabilities Association of Yukon			91,179	
- Watson Lake School Council			36,500	
- Teslin School Trust			19,653	
- Ta'an Kwachan Council			17,500	
- Hidden Valley School Trust			16,060	
- Del Van Gorder School Trust			14,753	
- Nacho Nyak Dun First Nation			14,600	
- Porter Creek Secondary School Trust			14,000	
- Ghuch Tla Community School Council			11,500	
- Ross River School Trust			11,381	
- Vuntut Gwitchin First Nation			11,000	
- Vanier Catholic Secondary School Trust			10,000	
- various recipients			2,010	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Education				
Other transfers (continued)				
School cultural activities	$ 250,000	$ 278,000		$ 268,426
- Sundog Carving Studio			$ 37,350	
- Council of Yukon First Nations			30,000	
- Porter Creek Secondary School Trust			20,600	
- FH Collins Secondary School Trust			16,174	
- Vanier Catholic Secondary School Trust			15,625	
- Elijah Smith Elementary School Trust			12,825	
- Christ the King Elementary School Trust			12,450	
- Jack Hulland School Trust			12,401	
- Robert Service School Trust			10,625	
- various recipients			100,376	
Association franco-yukonnaise - special initiatives	220,000	220,000		220,000
Youth at risk initiatives	150,000	196,000		177,062
- Yukon College - youth employment			87,062	
- Youth of Today Society			75,000	
- Skookum Jim Friendship Center			15,000	
School councils - remuneration	148,000	148,000		125,125
Special payments for education-related events/student activities	50,000	75,000		108,369
- Council of Yukon First Nations			18,000	
- Polarettes Gymnastic Club			13,460	
- Yukon Wildlife Preserve			13,200	
- FH Collins Secondary School Council			11,000	
- various recipients			52,709	
Dealing with the Whole Child Society - whole child project	90,000	90,000		91,000
Porter Creek Secondary School Council - canines for safer schools	77,000	77,000		77,000
Alberta Learning - curriculum support initiatives	10,000	10,000		69,972
Education related organizations	35,000	35,000		69,930
- Council of Ministers of Education			53,037	
- Canadian Education Association			11,093	
- various recipients			5,800	
Council of Yukon First Nations - new horizons	-	50,000		49,838
Lester B. Pearson College - post secondary student scholarships	74,000	74,000		49,000
Human Resource Development Canada - apprentice initiatives	45,000	45,000		45,965
First Nations elder program - various recipients	50,000	50,000		34,073
French cultural activities	35,000	35,000		34,000
Skills Canada: Yukon - youth exploring trades	-	-		25,000
Yukon Work Information Network	35,000	35,000		20,417

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Education				
Other transfers (continued)				
Yukon Art Society - artist in the school	$ 19,000	$ 19,000		$ 19,000
First Nations community orientation - various recipients	20,000	20,000		15,000
Champagne and Aishihik First Nations - stay in school initiatives	30,000	30,000		10,500
Teacher training (French bursaries)	10,000	10,000		10,000
Vuntut Gwitchin First Nation - First Nations curriculum development/implementation	25,000	25,000		10,000
Various transfer payments less than $10,000	20,000	20,000		14,499
	23,741,000	24,605,000		23,620,033
Total other government transfers	**25,721,000**	**26,825,000**		**25,364,618**
Energy, Mines and Resources				
Funding programs				
Yukon mining incentives program	570,000	570,000		573,022
Agriculture policy framework agreement/ growing forward	235,000	256,000		200,789
Rebate programs	100,000	100,000		193,150
	905,000	926,000		966,961
Other transfers				
Type II mine site reclamation	1,633,000	1,733,000		1,283,632
- Selkirk First Nation			$ 491,809	
- Ross River Dena Council			436,448	
- Liard First Nation Development Corporation			175,555	
- Little Salmon Carmacks First Nation			174,000	
- Town of Faro			5,820	
Resource assessments - minerals	155,000	1,012,000		818,000
- Natural Resources Canada - Earth Science Sector			818,000	
Natural Resources Canada - Earth Science Sector	-	623,000		398,000
Alaska Highway pipeline and Mackenzie gas project analysis	275,000	530,000		264,538
- Liard First Nation Development Corporation			250,000	
- United Association of Pipefitters			14,538	
Alaska Highway Aboriginal Pipeline Coalition	200,000	220,000		220,000
Geological survey work	100,000	100,000		121,158
- University of New Brunswick			33,000	
- University of Alberta			17,500	
- Dalhousie University			15,277	
- University of British Columbia			15,050	
- Simon Fraser University			13,187	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Energy, Mines and Resources				
Other transfers (continued)				
Geological survey work (continued)				
- Leeds University			$ 11,700	
- various universities			15,444	
Yukon Mine Training Association - northern strategy	$ 500,000	$ 546,000		$ 200,000
Forest management plans implementation	230,000	230,000		148,284
- Champagne and Aishihik First Nations			135,034	
- Kaska Forest Resources Stewardship Council			13,250	
Successor resource legislation working group	140,000	240,000		84,000
- Council of Yukon First Nations			35,000	
- Liard First Nation			25,000	
- Kwanlin Dun First Nation			12,000	
- Ross River Dena Council			12,000	
Kaska economic table	75,000	75,000		75,000
- Ross River Dena Council			37,500	
- Liard First Nation Development Corporation			37,500	
Yukon Wood Products Association	-	-		45,600
Yukon Chamber of Mines - operational funding	45,000	45,000		45,000
Mine related consultation	25,000	32,000		41,500
- Ross River Dena Council			32,500	
- various First Nations			9,000	
Yukon Agricultural Association				
- operational funding	25,000	25,000		40,000
Regulatory competitiveness	-	10,000		39,500
- Nacho Nyak Dun First Nation			29,500	
- Yukon Chamber of Commerce			10,000	
Wildlife compensation program				
- various recipients	60,000	60,000		34,438
Energy Solutions Centre - cost shared projects				
- various recipients	200,000	200,000		30,483
Canadian Forest Services	15,000	-		25,896
Klondike Placer Miners' Association				25,000
- operational funding	45,000	45,000	20,000	
- gold show barbecue	-	5,000	5,000	
University of British Columbia	20,000	20,000		18,000
Council of Yukon First Nations				
- resource infrastructure development	50,000	20,000		16,710
Mining Association of Canada	15,000	15,000		15,000
Yukon Chamber of Commerce	-	-		10,929
FPInnovations	5,000	5,000		10,000
Yukon Conservation Society	-	-		10,000
Geological survey of Canada	-	623,000		-
Joint First Nation /Yukon Government land management project	-	50,000		-
Memorandum of understanding				
- various Yukon First Nations	25,000	25,000		-

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Energy, Mines and Resources				
Other transfers (continued)				
Resource assessments - oil and gas	$ 25,000	$ 25,000		$ -
Various transfer payments less than $10,000	3,000	3,000		9,031
	3,866,000	6,517,000		4,029,699
Total other government transfers	**4,771,000**	**7,443,000**		**4,996,660**
Environment				
Other transfers				
Yukon Wildlife Preserve	550,000	550,000		550,000
Northern strategy				353,000
- Yukon River Inter-tribal Watershed Council	153,000	153,000	$ 153,000	
- Yukon College - northern climate exchange	200,000	200,000	200,000	
Waste reduction/recycling initiatives	80,000	255,000		329,630
- Recycling Fund			250,000	
- Town of Watson Lake			13,500	
- Town of Faro			11,252	
- P&M Recycling			10,000	
- Yukon Entrepreneurship Centre Society			10,000	
- various recipients			34,878	
Wildlife Management Advisory Council	222,000	222,000		222,000
Whitehorse Fish Hatchery	70,000	70,000		88,302
Yukon Fish and Game Association	80,000	80,000		80,000
Yukon College - climate change research	75,000	75,000		75,000
Porcupine Caribou Management Board				
- operational costs	75,000	75,000		75,000
University of Northern British Columbia				
- climate change project - Yukon trees		-		45,136
Mackenzie River Basin - transboundary agreement	-	40,000		40,000
Government of Northwest Territories				
- CircumArctic rangifer monitoring and assessment				39,800
Yukon Conservation Society	35,000	35,000		35,000
Wildlife inventory ecological monitoring	-	29,000		33,000
- South East Yukon Proper Land Use Society			19,000	
- various recipients	-		14,000	
Yukon Trappers Association				30,000
- training workshops	30,000	30,000	30,000	
- Klondike soft gold program	25,000	25,000	-	
Yukon Energy Corporation				
- stocked lake management	40,000	80,000		28,261
Environmental public awareness				
- various recipients	30,000	30,000		23,735
Yukon College - Northern Research Institute				
- socio-economic impact assessment of Aishihik Bison	-	-		19,772

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Environment				
Other transfers (continued)				
Ducks Unlimited	$ 18,000	$ 18,000		$ 18,000
University of Northern British Columbia - moose study	-	-		14,400
Canadian Cooperative Wildlife Health Centre	10,000	10,000		10,000
Fish and wildlife research support	20,000	20,000		-
Various transfer payments less than $10,000	14,000	46,000		76,764
Total other government transfers	**1,727,000**	**2,043,000**		**2,186,800**
Finance				
Other transfers				
Yukon Workers' Compensation Health and Safety Board - workers' compensation supplementary benefits	426,000	426,000		397,030
Yukon Electrical Company Limited - public utilities income tax transfer	213,000	213,000		212,700
Total other government transfers	**639,000**	**639,000**		**609,730**
Health and Social Services				
Funding programs				
Child care operating funds	3,685,000	3,889,000		4,026,030
Health professional bursary (funded by territorial health access fund)	230,000	230,000		222,000
Parents of children with disabilities	341,000	341,000		183,766
Employment incentive grants	390,000	300,000		159,411
	4,646,000	4,760,000		4,591,207
Other transfers				
Yukon Hospital Corporation				37,025,850
- operational funding	28,601,000	32,312,000	$ 32,312,000	
- pension fund	1,681,000	2,336,000	2,336,650	
- teleradiology equipment	-	-	880,200	
- First Nations health	663,000	682,000	663,000	
- equipment	300,000	500,000	500,000	
- patient wait times guarantee trust	-	167,000	167,000	
- lab agreement	-	-	92,000	
- Yukon Hospital Foundation	75,000	75,000	75,000	

Schedule of Other Government Transfers for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Health and Social Services				
Other transfers (continued)				
Yukon hospital insurance services	$14,435,000	$16,891,000		$17,792,463
- Yukon residents' health care provided outside Yukon				
- Province of British Columbia			$ 9,128,993	
- Province of Alberta			4,682,291	
- Province of Ontario			491,173	
- other provinces and territories			696,798	
- reimbursements to individuals and insurance companies			335,167	
- Yukon Hospital Corporation				
- non-residents care (repayable by Provinces)			1,968,786	
- Canadian Blood Services			458,462	
- contributions to various health agencies			30,793	
Territorial health access fund - operational secretariat	2,412,000	2,696,000		3,006,290
- Government of Northwest Territories			2,266,040	
- Government of Nunavut			740,250	
Child Development Centre	-	-		1,764,576
Yukon Medical Association				1,477,151
- physician recruitment/retention initiatives	1,890,000	538,000	965,151	
- medical practice insurance	262,000	262,000	262,000	
- education	238,000	250,000	250,000	
Yukon Women's Transition Home (Kaushee's Place)	-	-		960,108
Territorial health access fund	999,000	999,000		575,324
- Yukon Hospital Corporation			304,146	
- Health Link Services BC			100,000	
- Yukon Registered Nurses Association			75,000	
- Recreation and Parks Association			31,065	
- Dr. Huy Chau			22,000	
- Bruce Sandluck			10,613	
- various recipients			32,500	
Many Rivers Counselling and Support Services Society	-	-		411,194
Child care services development	-	411,000		361,164
- Carcross Tagish First Nations			300,000	
- Rosa Zuniga o/a Bubbles Daycare			13,684	
- various recipients			47,480	
Help & Hope for Families				314,767
- Watson Lake	-	-	314,767	
- transition home	-	14,000	-	
Council of Yukon First Nations				374,283
- Yukon aboriginal health transition fund	-	-	302,283	
- First Nations health partnership	120,000	120,000	72,000	
Federal child benefit				297,428
- Whitehorse	289,000	289,000	232,628	
- Region	71,000	71,000	64,800	
Hospice Yukon Society	-	-		234,400

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Health and Social Services				
Other transfers (continued)				
Skookum Jim Friendship Centre - family support	$ -	$ -		$ 222,150
Salvation Army	68,000	218,000		218,000
Dawson Shelter Society	-	-		210,300
Kids' Recreation Fund	200,000	200,000		187,855
Whitehorse Transit - Handi Bus	184,000	184,000		183,806
Alberta Catholic Social Services	-	145,000		157,593
Yukon Registered Nurses Association				140,000
- nurses post basic specialty education fund	75,000	75,000	$ 75,000	
- nursing education fund	65,000	65,000	55,000	
- nursing advisory committee	10,000	10,000	10,000	
Vuntut Gwitchin First Nation - youth program				131,500
- youth program	67,000	67,000	66,500	
- family support	-	65,000	65,000	
32862 Yukon Inc. o/a Sundog Carving Studio & Gallery				
- journey far carver	-	-		100,000
Yukon Food for Learning	42,000	42,000		91,750
Teegatha O'zheh	-	-		85,333
Kwanlin Dun First Nation				83,000
- child welfare	64,000	65,000	65,000	
- teen parent access to education	-	-	18,000	
Fetal Alcohol Syndrome Society	-	-		80,000
Health Investment Fund	50,000	50,000		50,322
Cycle to Walk Society	-	50,000		50,000
Haines Junction Employment Development Society	-	-		50,000
Food Bank Society of Whitehorse	-	-		50,000
Sign Post Seniors Society	-	-		46,130
Liard First Nation - family support	43,000	43,000		43,000
Ross River Dena Council - family support	44,000	44,000		43,000
Victoria Faulkner's Women's Centre - accommodation	30,000	30,000		29,955
Professional Development Fund	25,000	25,000		25,000
St. Elias Seniors Society	-	-		24,963
Health Child Manitoba - fetal alcohol spectrum				
- fetal alcohol spectrum disorder research	-	24,000		24,045
Rick Hansen Foundation	20,000	20,000		20,000
Yukon Community Health Improvement Project	-	10,000		20,000
Foster Parent Association	15,000	15,000		15,000
Women's shelters - renovations and equipment				
- various recipients	15,000	15,000		15,000
Alberta Health and Wellness	-	-		13,036
United Way	12,000	12,000		12,000
Province of British Columbia Ministry of Health	-	-		11,439
Individual home support - adult services				
- various recipients	-	-		10,186
UBC Veterans Transition Program	-	-		10,000

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

Health and Social Services

	Main Estimates	Revised Estimates		Actual
Other transfers (continued)				
Alcohol and drug - education and prevention				
- various recipients	$ 10,000	$ 10,000		$ 9,600
Healthy children - various recipients	30,000	30,000		8,000
Rehabilitation subsidies - various recipients	15,000	15,000		4,996
Work training	-	22,000		-
Community development projects - various recipients	10,000	10,000		(2,797)
Various transfer payments less than $10,000	2,000	2,000		10,037
	53,132,000	60,176,000		67,079,197
Total other government transfers	**57,778,000**	**64,936,000**		**71,670,404**

Highways & Public Works

	Main Estimates	Revised Estimates		Actual
Other transfers				
Northwestel/Dakwakada				971,613
- cell subsidy payment	850,000	800,000	$ 701,613	
- cell planning and expansion	-	125,000	270,000	
Miles Canyon Historical Railway Society	77,000	77,000		109,543
Teslin Tlingit Council - Nisutlin Bay Bridge	-	-		41,130
Yukon Entrepreneurship Centre Society				
- e-waste disposal	-	36,000		32,400
Fédération culturelle canadienne-française	-	19,000		19,000
Kluane First Nation - Shakwak	10,000	10,000		10,000
Carcross Tagish Development Corporation				
- Tagish Estate Road	-	-		10,000
Yukon Information Technology Industry Society				
- information technology conference	10,000	10,000		-
Various transfer payments less than $10,000	2,000	7,000		9,723
Total other government transfers	**949,000**	**1,084,000**		**1,203,409**

Justice

	Main Estimates	Revised Estimates		Actual
Other transfers				
Yukon Legal Services Society (legal aid)				1,765,666
- operational funding	1,560,000	1,660,000	1,730,666	
- community and correctional services	-	35,000	35,000	
Human Rights Commission	478,000	478,000		478,000
Community residential centre (Salvation Army)	400,000	420,000		420,519

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Justice				
Other transfers (continued)				
Aboriginal court worker program	$ 348,000	$ 348,000		$ 352,523
- Council of Yukon First Nations			$ 183,783	
- Liard First Nation			54,246	
- Northern Tutchone First Nation			47,532	
- Tr'ondek Hwech'in First Nation			32,256	
- Ross River Dena Council			17,456	
- Vuntut Gwitchin First Nation			17,250	
Yukon Worker's Compensation Health and Safety Board	330,000	330,000		329,500
Community justice projects	307,000	307,000		308,667
- Carcross Tagish First Nation			23,250	
- Dawson City Group Conferencing Society			25,000	
- Champagne and Aishihik First Nations			31,690	
- Vuntut Gwitchin First Nation			24,645	
- Ross River Dena Council			17,930	
- Teslin Tlingit First Nation			60,000	
- Liard First Nation			70,680	
- Kwanlin Dun First Nation			55,472	
Northern strategy				229,779
- Carcross Tagish First Nation				
- southern lakes justice development program	151,000	187,000	146,527	
- Kwanlin Dun First Nation				
- therapeutic community resource feasibility study	100,000	150,000	62,500	
- Yukon College				
- northern justice institute	-	-	20,752	
Youth leadership program	168,000	168,000		148,152
- Crime Prevention Yukon			142,959	
- various recipients			5,193	
Council of Yukon First Nations - corrections action plan	-	129,000		105,000
Yukon Public Legal Education Association	90,000	90,000		90,000
Kwanlin Dun First Nation - correctional re-development	-	-		90,000
RCMP - summer student program	52,000	52,000		32,710
- biology casework			26,519	
- auxiliary RCMP			6,191	
Police Board funding	5,000	5,000		-
Total other government transfers	**3,989,000**	**4,359,000**		**4,350,516**

Schedule of Other Government Transfers for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Tourism and Culture				
Funding programs				
Yukon arts funding program	$ 668,000	$ 860,000		$ 698,049
Arts fund	500,000	730,000		453,462
Tourism cooperative marketing fund	500,000	521,000		379,650
Touring artist fund	100,000	200,000		122,884
Advanced artist award	80,000	80,000		81,952
	1,848,000	2,391,000		1,735,997
Other transfers				
Arts Centre Corporation	724,000	724,000		724,000
Museums - general operation, maintenance and training support	657,000	631,000		630,834
- Dawson City Museum			$ 100,000	
- MacBride Museum			100,000	
- Yukon Transportation Museum			100,000	
- Yukon Historical and Museum Association			65,300	
- Yukon Church Heritage Society			61,500	
- Keno Community Club			38,000	
- Teslin Historical & Museum Society			37,564	
- Miles Canyon Historic Railway Society			30,000	
- Town of Faro-Campbell Region Interpretive Centre			30,000	
- Town of Watson Lake - Northern Lights Centre			30,000	
- Village of Mayo			30,000	
- Kluane Museum of Natural History			8,470	
Dawson City Arts Society	400,000	425,000		400,000
Museums assistance	350,000	366,000		347,057
- MacBride Museum			65,138	
- Dawson City Museum			55,972	
- Yukon Historical and Museum Association			38,775	
- Yukon Church Heritage Society			34,900	
- Yukon Transportation Museum			31,693	
- Teslin Historical & Museum Society			29,363	
- Keno Community Club			17,316	
- Miles Canyon Historic Railway Society			16,799	
- Kluane Museum of Natural History			13,460	
- Selkirk First Nation			12,500	
- Tr'ondek Hwech'in			10,000	
- various transfer payments less than $10,000			21,141	

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Tourism and Culture				
Other transfers (continued)				
First Nations cultural centres	$ 306,000	$ 306,000		$ 306,000
- Teslin Tlingit Council			$ 100,000	
- Tr'ondek Hwech'in First Nation			100,000	
- Little Salmon/Carmacks First Nation			38,000	
- Selkirk First Nation			38,000	
- Champagne and Aishihik First Nations			30,000	
Wilderness Tourism Association of the Yukon	264,000	274,000		274,000
Yukon Convention Bureau Society	200,000	200,000		200,000
Stay another day				162,678
- arts themed events	140,000	140,000		
- Music Yukon			75,000	
- Whitehorse Chamber of Commerce			70,180	
- Friends of Yukon Archives			12,498	
- tourism - various recipients	25,000	25,000	5,000	
Tourism Industry Association of Yukon				244,000
- operational funding	144,000	144,000	144,000	
- Yukon tourism marketing partnership	100,000	100,000	100,000	
Yukon Quest International Association (Canada)				196,872
- operation	150,000	150,000	150,000	
- Yukon Quest purse	-	-	46,872	
Decade of sport and culture	200,000	200,000		179,605
- Yukon Arts Center Corporation			157,000	
- Sport Yukon			22,605	
Selkirk First Nation - Fort Selkirk	125,000	125,000		129,833
Tourism North	110,000	110,000		123,000
Yukon Art Society - artist in the school	100,000	160,000		110,000
Product development and resource assessment	50,000	50,000		60,489
- Wilderness Tourism Association of Yukon			10,380	
- various recipients			50,109	
Yukon First Nations Tourism Association	60,000	60,000		60,000
Sourdough Rendezvous Society	50,000	50,000		50,000
Historic sites maintenance	100,000	110,000		47,662
- Anne Morgan			20,000	
- Silver Trail Tourism Association			19,880	
- various recipients			7,782	
Northern strategy - First Nations records diffusion project	144,000	180,000		36,983
- Teslin Tlingit Council			36,983	
Society of Yukon Artists of Native Ancestry - craft strategy	-	30,000		31,120
Teslin Tlingit First Nation				
- heritage attractions site support	-	25,000		25,000
Friends of the Gallery - visual arts acquisition	10,000	10,000		25,000
2010 Olympics - Vancouver Organizing Committee	-	-		20,080
Vuntut Gwitchin First Nation - heritage studies	-	20,000		20,000

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates		Actual
Tourism and Culture				
Other transfers (continued)				
Conservation and security - various recipients	$ 20,000	$ 20,000		$ 19,500
Champagne and Aishihik First Nation	-	-		17,475
Yukon Science Institute	17,000	17,000		17,000
Friends of Yukon Archives Society	9,000	9,000		8,500
	4,455,000	4,661,000		4,466,688
Total other government transfers	6,303,000	7,052,000		6,202,685
Women's Directorate				
Other transfers				
Various women's groups	175,000	175,000		170,000
- Les essentielles			$ 35,000	
- Whitehorse Aboriginal Women's Centre			35,000	
- Yukon Women in Trades & Technology			35,000	
- Liard Aboriginal Women's Society			31,500	
- Yukon Status of Women Council			20,000	
- Victoria Faulkner Women's Centre			13,500	
Family violence and violence against women prevention initiatives	100,000	100,000		96,131
- Northern Tutchone Tribal Council			20,000	
- Selkirk First Nation			20,000	
- Kluane First Nation			18,688	
- Margaret Thomson Centre			17,226	
- Kwanlin Dun First Nation			10,217	
- Skookum Jim Friendship Centre			10,000	
Victoria Faulkner Women's Centre				80,000
- women's advocate	60,000	60,000	60,000	
- operations	20,000	20,000	20,000	
Yukon Status of Women Council	12,000	12,000		12,000
Women's community projects - various recipients	5,000	5,000		3,361
Total other government transfers	372,000	372,000		361,492

GOVERNMENT OF YUKON

Schedule 9

Schedule of Other Government Transfers
for the year ended March 31, 2009

	Main Estimates	Revised Estimates	Actual
Yukon Housing Corporation (Transfer Payment)			
Other transfers			
Operations and maintenance	$ 3,814,000	$ 4,159,000	$ 3,171,299
Capital	3,569,000	4,939,000	5,689,041
Total other government transfers	**7,383,000**	**9,098,000**	**8,860,340**
Yukon Development Corporation (Transfer Payment)			
Other transfers			
Carmacks-Stewart Crossing - transmission line project	10,000,000	10,000,000	10,000,000
Aishihik turbine	1,500,000	750,000	750,000
Total other government transfers	**11,500,000**	**10,750,000**	**10,750,000**
Totals			
Funding programs	17,902,000	19,262,000	15,998,038
Other government transfers	142,987,000	167,306,000	149,802,938
	$ 160,889,000	**$ 186,568,000**	**$165,800,976**

GOVERNMENT OF YUKON

Schedule 10

Schedule of Special Warrants
for the year ended March 31, 2009

Warrant Number		Purpose	Amount (thousands of dollars)
No. 1	Operations and maintenance	Yukon Legislative Assembly	$ 1,081
		Elections Office	30
		Office of the Ombudsman	42
		Executive Council Office	7,679
		Community Services	16,590
		Economic Development	930
		Education	29,601
		Energy, Mines and Resources	7,327
		Environment	2,258
		Finance	553
		Health and Social Services	47,467
		Highways and Public Works	17,004
		Justice	8,012
		Public Service Commission	2,856
		Tourism and Culture	4,358
		Women's Directorate	64
		Yukon Housing Corporation	1,161
		Loan capital	5,000
			152,013
	Capital	Yukon Legislative Assembly	30
		Elections Office	5
		Office of the Ombudsman	3
		Executive Council Office	147
		Community Services	4,382
		Economic Development	3,746
		Education	6,221
		Energy, Mines and Resources	895
		Environment	252
		Finance	48
		Health and Social Services	3,325
		Highways and Public Works	22,598
		Justice	1,027
		Public Service Commission	20
		Tourism and Culture	1,761
		Yukon Housing Corporation	1,503
			45,963
			$ 197,976

The special warrant authorized spending for the purpose of financing government operations for the period April 1, 2008 to April 30, 2008. This warrant was subsequently approved by the *Interim Supply Appropriation Act* (Yukon) *2008-09*.

GOVERNMENT OF YUKON

Schedule 10

Schedule of Special Warrants
for the year ended March 31, 2009

Warrant Number		Purpose	Amount (thousands of dollars)
No. 2	Capital	Yukon Housing Corporation	$ 6,520
			6,520

The special warrant authorized spending, in addition to the amount provided in the *First Appropriation Act* (Yukon) *2008-09* for the purpose of financing government operations for the period September 1, 2008 to March 31, 2009 This warrant was subsequently approved by the *Second Appropriation Act* (Yukon) *2008-09*.

Warrant Number		Purpose	Amount (thousands of dollars)
No. 3	Capital	Education	215
		Health and Social Services	20
		Highways and Public Works	625
		Yukon Housing Corporation	2,850
			3,710
			$ 3,710

The special warrant authorized spending, in addition to the amount provided in the *First Appropriation Act* (Yukon) *2008-09 and the Second Appropriation Act* (Yukon) *2008-09*, for the purpose of financing government operations for the period December 22, 2008 to March 31, 2009. This warrant was subsequently approved by the *Third Appropriation Act* (Yukon) *2008-09*.

Warrant Number		Purpose	Amount (thousands of dollars)
No. 4	Operations and maintenance	Yukon Legislative Assembly	1,000
		Office of the Ombudsman	20
		Community Services	885
		Education	1,619
		Environment	2,200
		Health and Social Services	6,674
		Highways and Public Works	373
		Justice	1,344
		Public Service Commission	104
		Tourism and Culture	358
			14,577

GOVERNMENT OF YUKON

Schedule 10

Schedule of Special Warrants
for the year ended March 31, 2009

Warrant Number		Purpose	Amount (thousands of dollars)
No. 4	Capital	Executive Council Office	$ 2
		Education	265
		Environment	51
		Health and Social Services	133
		Public Service Commission	4
			455
			$ 15,032

The special warrant authorized spending, in addition to the amount provided in the *First Appropriation Act* (Yukon) *2008-09 and the Second Appropriation Act* (Yukon) *2008-09 and Special Warrant (No. 3)* (Yukon), *2008-09,* for the purpose of financing government operations for the period March 9, 2009 to March 31, 2009. This warrant was subsequently approved by the *Third Appropriation Act* (Yukon) *2008-09.*

GOVERNMENT OF YUKON

Schedule 11

Schedule of Bad Debt Write-offs
for the year ended March 31, 2009

Accounts Receivable Written Off

Education		
Jutras, Sylvie	$	6,718
Fox, Jody		538
Energy, Mines and Resources		
Cayford, Kim		2,072
Health and Social Services		
McLean, Carol Ann		5,886
Ingraham, Phillip		5,386
Leveque, Beverly		4,841
Rabb, Bill		2,933
O'Connell-MacLeod, William		2,720
Akinlawon, Abi Olamide		953
Antsen, Robert		816
Smith, Stewart		669
Ralalonzosana, Enrique		580
Daniels, Samuel		539
Justice		
Olson, Tracy		4,475
Total accounts written off over $500		39,126
All departments - other miscellaneous accounts less than $500		5,814
Total accounts written off	**$**	**44,940**

Property Taxes Receivable Written Off

Community Services		
Fromm, E	$	819
Servant, Paul		818
Geng, Steve		787
Horae, Gary		782
Kin, Chung Yau		782
Seward, John		782
Duckhorn, Walter		523
Wolfe, Clarence		516
Total accounts written off over $500		5,809
Other accounts less than $500		2,540
Total accounts written off	**$**	**8,349**

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SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS

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YUKON COLLEGE

FINANCIAL STATEMENTS

June 30, 2008

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YUKON COLLEGE
Management Responsibility

The financial statements are the responsibility of management and the Board of Governors of the College. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. The financial statements include estimates based on the experience and judgement of management. The financial statements present fairly the financial position of the College as at June 30, 2008, and the results of its operations, changes in net assets and cash flows for the year then ended.

The College maintains books of account, financial and management control, and information systems, together with management practices designed to provide reasonable assurance that reliable and accurate financial information is available on a timely basis, that assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of College objectives and that operations are carried out effectively.

These systems and practices are also designed to provide reasonable assurance that transactions are in accordance with the *College Act*, bylaws and policies of the College.

The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board meets on a periodic basis with management and the external auditor to review the scope and results of the annual audit, and to review the financial statements and related financial reporting matters. The Board of Governors has reviewed and approved the financial statements.

These financial statements for the year ended June 30, 2008 have been independently audited by the College's auditor, the Auditor General of Canada, and her report is included herein.

Dr. Terry Weninger
President

W. Coghill
Director, Administrative Services

October 31, 2008

Auditor General of Canada
Verificatrice generale du Canada

AUDITOR'S REPORT

To the Board of Governors:

I have audited the statement of financial position of the Yukon College as at June 30, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2008 and the results of its operations, the changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Andrew Lennox, CGA, CMA
Assistant Auditor General
for the Auditor General of Canada

Vancouver, Canada
October 31, 2008

YUKON COLLEGE
Statement of Financial Position
as at June 30

ASSETS

	2008	*2007*
Current Assets		
Cash and cash equivalents (note 5)	$ 17,604,558	$ 16,580,996
Accounts receivable	1,304,981	719,929
Inventories	160,954	190,793
Prepaid expenses	30,857	17,775
	19,101,350	17,509,493
Other Assets		
Investments (note 6)	2,030,082	1,945,101
Accrued pension benefit (note 7)	5,943,500	5,349,500
Capital assets (note 8)	1,842,667	1,558,270
	$ 28,917,599	$ 26,362,364

LIABILITIES AND NET ASSETS

	2008	*2007*
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,272,274	$ 846,540
Deferred contributions (note 10)	15,416,101	14,008,784
	16,688,375	14,855,324
Long -term Liabilities		
Other employee future benefits (note 7)	3,041,400	2,760,800
Net Assets		
Capital (note 8)	1,842,667	1,558,270
Endowment (note 9)	1,931,930	1,895,864
Unrestricted	5,413,227	5,292,106
	9,187,824	8,746,240
	$ 28,917,599	$ 26,362,364

Lease commitments (note 15)
Contingent liabilities (note 18)

Approved by the Board of Governors

Chair

Member

The accompanying notes are an integral part of the financial statements.

YUKON COLLEGE
Statement of Operations
for the year ended June 30

	2008	*2007*
Revenues		
Contributions, Government of Yukon (note 12)	$ 19,982,703	$ 17,476,063
Third party contracts	8,119,836	6,258,708
Sales, rentals and services	1,382,891	1,017,685
Miscellaneous income	664,379	553,589
Student assistance/scholarships	581,913	730,895
Tuition and registration fees	579,554	603,936
Interest income	483,913	483,888
Services to CWG 2007 (note 16)	-	749,946
	$ 31,795,189	$ 27,874,710
Expenses (note 11)		
Direct instruction	$ 12,438,902	10,909,112
General administration	4,754,596	3,957,571
Direct instructional support	4,313,583	4,341,299
Services received without charge (note 12)	3,982,336	2,548,100
Research	1,818,517	1,265,591
Cost of sales	1,512,405	1,271,193
Facility services and utilities	1,233,621	1,241,936
Student assistance/scholarships	581,913	730,895
Amortization of capital assets	377,698	318,479
Employee leave and termination benefits	280,600	218,951
Miscellaneous	95,501	83,149
Expenses on services to CWG 2007 (note 16)	-	749,946
	$ 31,389,672	$ 27,636,222
Surplus of revenues over expenses	$ 405,517	$ 238,488

The accompanying notes are an integral part of the financial statements.

YUKON COLLEGE
Statement of Changes in Net Assets
for the year ended June 30

				2008	*2007*
	Unrestricted	Capital	Endowment	Total	Total
Balance, beginning of year	$ 5,292,106	$ 1,558,270	$ 1,895,864	$ 8,746,240	$ 8,474,385
Investment in capital assets		662,095		662,095	333,254
Amortization of capital assets		(377,698)		(377,698)	(318,479)
Change in net assets – Capital	(284,396)			(284,396)	(14,776)
Endowment contributions			36,066	36,066	33,368
Surplus of revenues over expenses	405,517			405,517	238,488
Balance, end of year	$ 5,413,227	$ 1,842,667	$ 1,931,930	$ 9,187,824	$ 8,746,240

	2008	*2007*
Determination of funds available for operations:		
Unrestricted fund balance, end of year	$ 5,413,227	$ 5,292,106
Add: Other employee future benefits (note 14)	3,041,400	2,760,800
	$ 8,454,627	$ 8,052,906

The accompanying notes are an integral part of the financial statements.

YUKON COLLEGE
Statement of Cash Flows
for the year ended June 30

	2008	2007
Cash flows from operating activities:		
Surplus of revenues over expenses	$ 405,517	$ 238,488
Amortization of capital assets	377,698	318,479
Decrease in non-cash working capital	1,264,757	219,212
Increase in accrued pension benefit asset	(594,000)	(686,300)
Increase in other employee future benefit liabilities	280,600	226,900
Cash flows from operating activities	1,734,572	316,779
Cash flows from financing activities:		
Endowment contributions	36,066	33,368
Cash flows from financing activities	36,066	33,368
Cash flows used in investing activities:		
Capital assets acquired	(662,095)	(333,254)
Increase in investments	(84,981)	(5,645)
Cash flows used in investing activities	(747,076)	(338,899)
Change in cash:		
Net increase in cash and cash equivalents	1,023,562	11,248
Cash and cash equivalents		
Beginning of year	16,580,996	16,569,748
End of year	$ 17,604,558	$ 16,580,996

The accompanying notes are an integral part of the financial statements.

1. Purpose of the organization

Yukon College is a post-secondary educational institution and is incorporated under the *College Act*. The College is a not-for-profit organization and is a registered charity under the *Income Tax Act*. A significant portion of its funding is provided by the Government of Yukon. The College is not an institution of the Government of Yukon and, except to the extent an agency relationship is created by contracts with the Government, the College is not an agent of the Government.

The purpose of Yukon College is to provide excellent, relevant and accessible learning opportunities.

2. Change in accounting policies

Adoption of new accounting standards

Effective July 1, 2007 the College adopted the new Canadian Institute of Chartered Accountant Handbook Sections 3855, Financial Instruments - Recognition and Measurement, Section 3861, Financial Instruments - Disclosure and Presentation, and Section 3865, Hedges. As required by the new standards, prior period results have not been restated.

Section 3855 – Financial Instruments – Recognition and measurement requires the College to categorize its financial assets as held to maturity, held for trading, available for sale, or as loans and receivables. The College is also required to categorize its financial liabilities as either held for trading or other liabilities. Upon initial recognition, financial assets and financial liabilities are required to be measured at fair value and are subsequently accounted for based on their classification. Held to maturity financial assets, loans and receivables and other financial liabilities are subsequently measured at amortized cost using the effective interest method. Held for trading financial assets and liabilities are subsequently measured at fair value with changes in fair value recognized in the statement of operations. Available for sale financial assets are subsequently measured at fair value with unrealized gains and losses recognized in either unrestricted net assets or deferred contributions, as appropriate, until the gains or losses are realized.

The College's financial assets consist of cash and cash equivalents, investments and accounts receivable. Upon adoption of the standard, cash and cash equivalents and Investments, consisting of bankers acceptances, were classified as "held to maturity". Accounts receivable were classified as "loans and receivables". The College's financial liabilities consist of accounts payable and accrued liabilities and they were classified as "other financial liabilities".

The adoption of the financial instruments standards has no material impact on the College's financial statements because financial instruments were already recorded at amortized cost prior to adoption of the standards.

The adoption of CICA Handbook Section 3865, Hedges by the Corporation did not have an impact on the Corporation because it does not apply hedge accounting.

3. Significant accounting policies

a) Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations, and the accounting policies adopted are consistent with the recommendations of the Canadian Association of University Business Officers.

b) Cash and cash equivalents

Cash and cash equivalents include banker acceptance notes with an original maturity of less than 90 days with Canadian financial institutions. Cash and cash equivalents are recorded at cost, which approximates fair value.

c) Capital assets

Purchased equipment and leasehold improvements are recorded at cost. The items are amortized on a straight-line basis over their estimated useful lives.

	Years
Equipment – general	10
Leasehold improvements	20
Equipment – EDP	3
Furniture & fixtures	10
Mobile trailers	20
Vehicles	5

The Works of Art are capitalized at cost and no amortization is recorded.

d) Inventory

Inventory held for resale is recorded at the lower of cost and net realizable value. Supplies inventories are recorded at cost.

e) Contributed services

The College benefits from services provided by volunteers in assisting the institution in carrying out its activities. The fair value of these services is not determinable and accordingly is not included in the financial statements.

f) Employee future benefits

Pension benefits

The Yukon College Employees' Pension Plan is a contributory defined benefit pension plan. The pension plan fund provides mandatory pension benefits for all full-time employees and optional benefits for part-time employees of Yukon College. The College's pension plan provides for defined retirement benefits based on an employee's years of service and average final earnings, in accordance with the Federal *Pension Benefits Standards Act*, and is indexed in accordance with the change in Consumer Price Index for 12 months ending September 30th. For any unfunded pension liability, the College is contributing the balance of the costs of the plan as determined by the actuary. Contributions by the College are recorded in the financial statements using an accrued benefit method. The College has contracted with external organizations to provide the services of trustee, administrator, and investment manager for the pension plan. The pension plan assets are held by a trustee and separate financial statements are prepared for the pension plan.

The College accrues its obligations under the pension plan and the related costs, net of plan assets.

3. Significant accounting policies (continued)

f) Employee future benefits (continued)

Pension benefits (continued)
The cost of pension benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, inflation rates, salary escalation, and retirement ages of employees.

For the purpose of calculating the expected return on plan assets, those assets are valued at fair value. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the pension plan is 9 years.

Other non-pension benefits
The cost of benefit plans, other than pension, including severance benefits, sick leave and managers' accrued leave, payable upon termination of employment, death or retirement, is actuarially determined using the projected accrued benefit method prorated on employment services using management's best estimate of inflation rates, salary escalation, retirement ages of employees, and is recognized over the period in which the benefits are earned. The College accrues other vacation and severance benefits for employees as earned.

The excess of the net actuarial gain (loss) over 10% of the benefit obligation is amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by these plans is 8.1 years.

g) Deferred contributions

Yukon College follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Revenues received for a future period are deferred until the services are provided.

h) Revenue recognition

The College follows the deferral method of accounting for contributions. Restricted contributions are recognized in an amount equal to the amount reported as expenses under the terms of the restrictions.

Unrestricted contributions, such as operating grants, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions, including interest earned, are recognized as direct increases in endowment net assets.

i) Net assets

The entire balance of unrestricted net assets has been internally appropriated by the Board of Governors for anticipated fiscal requirements not funded from other sources (see note 14).

Capital net assets are appropriated for equipment and leasehold improvements.

3. Significant accounting policies (continued)

i) Net assets (continued)

Endowment net assets are set aside for specific purposes. The principal must remain unexpended, but associated investment income may be expended in accordance with the various purposes established by the donors or the Board of Governors.

j) Internal appropriations

Internal appropriations are established under the authority of the Board of Governors, by appropriation from unrestricted net assets and other employee future benefits to provide for anticipated fiscal requirements not funded from other sources.

k) Services provided without charge

The free rental of the College's main campus and certain other facilities provided by the Government is recorded as contribution revenue and certain offsetting operating expenses (see note 12).

l) Use of estimates

The preparation of financial statement in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of lease commitments at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the defined benefit pension plan surplus and the liabilities for accrued severance, retirement and sick leave benefits, amortization, accounts receivable, accrued liabilities and deferred contributions. Financial results as determined by actual events could differ significantly from these estimates.

m) Future accounting changes

On December 1, 2006, the CICA issued the new accounting standard Section1535 Capital Disclosures. The standard applies to fiscal years beginning on or after October 1, 2007 and accordingly will be effective for the College on July 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the College regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. This section is expected to have limited impact on the College's financial statements.

Section 3031 is a new recommendation for the measurement and disclosure of inventories. This section provides guidance on the determination of cost and its subsequent recognition as an expense, including any write down to net realizable value and on the cost formulas that are used to assign costs to inventories. The standard applies to fiscal years beginning on or after January 1, 2008 and accordingly will be effective for the College on July 1, 2008. This section is expected to have little impact on the College's financial statements.

4. Financial instruments

The College's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities. The carrying value of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

Credit risk

The College is exposed to credit risk for its cash and cash equivalents, investments and accounts receivable. Credit risk is minimized substantially for cash and cash equivalents and investments by ensuring that these financial assets are placed with credit worthy counter parties and Canadian chartered banks.

Account receivable are the result of transactions incurred in the normal course of business. They do not have significant credit risk and are non-interest bearing. The College maintains an allowance for estimated losses resulting from customers not paying outstanding amounts.

Interest rate risk

The College is exposed to interest rate risk arising from fluctuations in interest rates on cash equivalents and investments.

5. Cash and cash equivalents

	2008	2007
Cash	$ (96,120)	$ 1,095,260
Bankers acceptances	17,700,678	15,485,736
Total cash and cash equivalents	$ 17,604,558	$ 16,580,996

The average term to maturity of bankers acceptances was 28 days (2007 – 26 days).

The College has, if needed, an operating demand line of credit with its banker that allows the College to borrow up to $500,000 at bank prime. The credit line was unused at year-end. The College's credit facility interest rates are subject to fluctuations in the prime rate.

6. Investments

	2008	2007
Short-term deposits	$ 263,386	$ 212,738
Bankers acceptances	1,766,696	1,732,363
Total investments	$ 2,030,082	$ 1,945,101

A portion of the investments is externally restricted of which $1,931,930 (2007 - $1,895,864) is related to endowments.

The average annual return on investments is 4.1% (2007 - 4.2%).

The average term to maturity of bankers acceptances was 26 days (2007 – 28 days).

7. Employee future benefits

a) Pension benefits

Assets in the Yukon College Employees' Pension Plan are based on fair values as reported by the custodian of the funds as at June 30, 2008. No adjustment is made for contributions/payments in transit at that date.

An actuarial valuation for accounting purposes was performed as of June 30, 2008 by Leong & Associates Actuaries and Consultants Inc., using the projected benefits method prorated on services. The next actuarial valuation for accounting purposes will be performed as of June 30, 2009.

An actuarial valuation for funding purposes was performed as of June 30, 2007 and the next actuarial valuation for funding purposes will be performed as of June 30, 2010. The actuarial valuation for funding purposes performed by the actuary established the College's required contributions as 246% of employee contributions. Under economic and demographic assumptions used in these calculations, this level of College contributions together with the employee contributions is sufficient to fund the current service costs of the plan benefits.

Total benefit payments were $1,898,400 (2007 - $1,958,500).

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate of these future events. Key assumptions are summarized below:

Weighted-average assumptions for benefit costs	2008	2007
Discount rate	5.50%	5.75%
Expected long-term rate of return on plan assets	7.00%	7.00%
Rate of compensation increase	4.25%	4.25%

Weighted-average assumptions for accrued benefit obligation	2008	2007
Discount rate	5.75%	5.50%
Rate of compensation increase	4.25%	4.25%

Change in accrued benefit obligation	2008	2007
Accrued benefit obligation – beginning of year	$ 39,216,700	$ 35,785,600
Current service cost	2,257,900	1,942,300
Interest cost on benefit obligation	2,188,300	2,075,400
Employee contributions	782,400	632,000
Benefits paid	(1,898,400)	(1,958,500)
Actuarial losses (gains)	(1,290,200)	739,900
Accrued benefit obligation - end of year	$ 41,256,700	$ 39,216,700

7. Employee future benefits (continued)

a) Pension benefits (continued)

	2008	2007
Change in Plan Assets		
Fair value of plan assets – beginning of year	$ 48,418,700	$ 41,390,700
Actual return on plan assets	(1,660,300)	6,486,300
Employer contributions	1,710,600	1,868,200
Employee contributions	782,400	632,000
Benefits paid	(1,898,400)	(1,958,500)
Fair value of plan assets - end of year	$ 47,353,000	$ 48,418,700
Market value of plan assets - end of year	$ 47,353,000	$ 48,418,700
Reconciliation of Funded Status		
Accrued benefit obligation - end of year	$ 41,256,700	$ 39,216,700
Fair value of plan assets	(47,353,000)	(48,418,700)
Funding surplus	(6,096,300)	(9,202,000)
Unamortized past service costs	(241,500)	(322,000)
Unamortized net actuarial gain	394,300	4,174,500
Accrued benefit asset	$ (5,943,500)	$ (5,349,500)

Elements of defined pension plan benefit costs recognized in the year are as follows:

	2008	2007
Current service cost, net of employee contributions	$ 2,257,900	$ 1,942,300
Interest cost on benefit obligation	2,188,300	2,075,400
Actual return on plan assets	1,660,300	(6,486,300)
Actuarial (gain) loss on accrued benefit obligation	(1,290,200)	739,900
Elements of employee future benefit costs before adjustments to recognize the long-term nature of employee future benefit costs	4,816,300	(1,728,700)
Adjustments to recognize the long-term nature of employee future benefit costs:		
Difference between expected return and actual return on plan assets for year	(5,070,400)	3,570,000
Difference between actuarial loss (gain) recognized for the year and actual actuarial benefit loss (gain) on accrued benefit obligation for year	1,290,200	(739,900)
Difference between amortization of past service costs for the year and actual plan amendments for year	80,500	80,500
Net periodic pension cost recognized	$ 1,116,600	$ 1,181,900

7. Employee future benefits (continued)

a) Pension benefits (continued)

Based on fair value of plan assets held as at June 30, 2008, the assets were composed of:	2008	2007
Equity securities	57%	61%
Debt securities	40%	37%
Other	3%	2%
Total	100%	100%

The accrued benefit asset has been recorded on the Corporation's books of account and is included on the balance sheet as at June 30, 2008.

The funded status of the pension plan (a surplus of $6,096,300 as at June 30, 2008) presented in these financial statements has been determined on the basis that the pension plan remains a going concern. As at June 30, 2007, the date of the most recent actuarial valuation for funding purposes, the pension plan had a surplus of $2.7 million if valued on the basis that the pension plan were terminated/wound up as at June 30, 2007.

Since the solvency ratio of the plan was 106% at June 30, 2007, there is no solvency shortfall. During the fiscal year the College contributed $1,710,600 to the plan. The Government of Yukon provided pension funding of $1,013,254 (2007 - $866,100) to the College. All the required contributions to the Plan have been made.

The Government of Yukon has provided a funding commitment to the College to cover increased pension costs up to 2015. The maximum amount per year is summarized as follows:

2008/09	$ 950,000
2009/10	950,000
2010/11	300,000
thereafter	990,300
	$ 3,190,300

The amount is subject to re-evaluation after each actuarial valuation.

All required contributions to the Plan have been made.

7. Employee future benefits (continued)

b) Other non-pension benefit plans

These benefits represent the only obligation of the College that entails settlement by future payment. The benefit plan is not funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The benefits will be paid from future sources of revenue. The actuarial valuation of the accrued benefit liability as at June 30, 2008 is:

	2008	2007
Accrued benefit obligation, end of year	$ 3,160,300	$ 2,804,600
Unamortized actuarial loss	(118,900)	(43,800)
Accrued benefit liability, end of year	$ 3,041,400	$ 2,760,800

The annual benefit plan cost and change in accrued benefit liability are as follows:

	2008	2007
Accrued benefit liability, beginning of year	$ 2,760,800	2,533,900
Add: Annual benefit plan cost	474,800	445,500
Less: Benefits paid by College	(194,200)	(218,600)
Accrued benefit liability, end of year	$ 3,041,400	$ 2,760,800

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligation are as follows:

		2008	2007
Weighted average assumption for accrued benefit obligation:			
Discount rate		5.75%	5.50%
Rate of compensation increase			
	for 10 years	4.25%	4.25%
	thereafter	4.75 %	4.75%
Weighted average assumption for benefit costs:			
Discount rate		5.50%	5.75%
Rate of compensation increase			
	for 10 years	4.25%	4.25%
	thereafter	4.75%	4.75%

8. Capital assets

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment - general	$ 759,312	$ 436,260	$ 323,052	$ 398,058
Leasehold improvements	1,451,333	527,776	923,557	771,288
Equipment – EDP	494,359	131,274	363,085	282,730
Furniture & fixtures	82,217	27,397	54,820	48,178
Art	52,349	-	52,349	52,349
Mobile trailers	111,304	-	111,304	-
Vehicles	14,500	-	14,500	5,667
	$ 2,965,374	$ 1,122,707	$ 1,842,667	$ 1,558,270

The land and buildings at Ayamdigut Campus are owned by the Government of Yukon and leased to the College at no charge. The Government of Yukon is responsible for major maintenance and upkeep of the building and grounds, and the College is responsible for minor interior maintenance and repairs.

9. Endowment

	2008	2007
Balance, beginning of year	$ 1,895,864	$ 1,862,496
Endowment contributions	36,066	33,368
Balance, end of year	$ 1,931,930	$ 1,895,864

Endowment contributions consists of principal and interest earned and allocated to the endowment in accordance with the terms of the trust agreement.

10. Deferred contributions

These represent unspent resources which have been received and relate to expenditures that will occur in subsequent periods, and are therefore not amortized. The unrestricted portion relates to the timing of receipt of the government contributions. These are received on an annual basis on or about April 1 of each year and therefore a significant portion must be deferred. The restricted portion includes funds received under conditions of a trust agreement, and funds received for specific projects.

	Unrestricted	Restricted	2008 Total	2007 Total
Balance, beginning of year	$ 10,646,897	$ 3,361,887	$ 14,008,784	$ 13,725,430
Less: amount recognized as revenue for the period	(10,646,897)	(3,361,887)	(14,008,784)	(13,725,430)
Add: amounts related to future periods	11,396,147	4,019,954	15,416,101	14,008,784
Balance, end of year	$ 11,396,147	$ 4,019,954	$ 15,416,101	$ 14,008,784

11. Expenditure by object

	2008	2007
Salaries, wages and benefits	$ 18,178,775	$ 16,710,171
Contract services	4,604,346	2,968,954
Utilities and communications	1,962,400	1,491,067
Other	1,694,665	1,563,402
Cost of sales and ancillary services	1,512,405	1,271,194
Materials and Supplies	1,360,958	1,806,370
Travel	835,912	556,739
Student assistance/scholarships	581,913	730,895
Amortization of capital assets	377,698	318,479
Employee leave and termination benefits	280,600	218,951
	$ 31,389,672	$ 27,636,222

12. Government of Yukon contributions

	2008	2007
Operating contributions	$ 16,000,367	$ 14,927,963
Services provided without charge	3,982,336	2,548,100
	$ 19,982,703	$ 17,476,063

The College receives approximately 60% of its income from the Government of Yukon in the form of annual operating grants.

The majority of the services provided without charge represent costs associated with facilities provided by the Government of Yukon at a reduced, or no, charge. The estimated value of these services is based on the Government's amortization expense (for the main campus), and on an estimated value for other spaces, plus any related operating expenses.

13. Related party transactions

The College regularly enters into contracts for the provision of services to Departments of the Government of Yukon. These contracts, the value of which is $4,208,972 (2007 - $3,912,297), are recorded as third party contract revenue on the Statement of Operations. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14. Internal appropriations

The total of the unrestricted funds available for operations in future years has been internally appropriated and the balances allocated for the following:

	2008	2007
Human resource contingency	$ 625,730	$ 700,000
Equipment replacement	400,000	621,436
Program development	400,000	430,057
First Nations programs	400,000	400,000
Lease obligations	200,000	313,220
Northern Research Institute contingency	113,693	113,693
Residence reserve	25,000	25,000
Self insurance reserve	100,000	100,000
Pension actuarial reserve	246,704	-
Accrued pension benefit asset	5,943,500	5,349,500
	$ 8,454,627	$ 8,052,906

15. Lease commitments

The following is a schedule of future minimum payments under operating leases and system maintenance contracts entered into for more than one year:

2008-2009	$ 367,117
2009-2010	252,719
2010-2011	156,761
2011-2012	66,142
2012-2013	68,788
thereafter	71,539
	$ 983,067

16. Canada Winter Games 2007

The College was contracted by the Whitehorse 2007, Jeux du Canada Games Host Society to provide food services to the Athletes and Coaches. The contract reflected all costs of the service delivery and all costs were fully recovered from the Host Society.

17. Subsequent events

There has been a world wide economic decline between June 30, 2008, the date of the actuarial valuation, and October 31, 2008, the audit report date. The fair value of the plan assets has declined during this period. A significant decrease in pension assets may cause the plan to be underfunded. The financial effect on the pension plan of this economic decline has not been determined as of October 31, 2008. There is a possibility the College may have to request additional funding from the Government of Yukon for solvency deficiency payments.

18. Contingent liabilities

The College is involved from time to time in litigation which arises in the normal course of operations. Liabilities on any litigation are recognized in the financial statements when the outcome becomes reasonably determinable. In management's judgment, no material exposure exists at this time on the eventual settlement of any existing litigation.

19. Comparative figures

Certain comparative figures for 2007 have been reclassified to conform with the 2008 presentation.

YUKON DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2008

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Yukon
Development
Corporation

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Yukon Development Corporation are the responsibility of management, and have been prepared in accordance with Canadian generally accepted accounting principles consistently applied and appropriate in the circumstances. The preparation of financial statements necessarily involves the use of estimates and approximations, which have been made using careful judgement. In management's opinion, the consolidated financial statements have been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the consolidated financial statements.

Management maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, the careful selection and training of qualified personnel, and an organizational structure that provides for the appropriate delegation of authority and segregation of responsibilities.

The financial statements have been examined by an independent external auditor. The external auditor's responsibility is to express an opinion on whether the consolidated financial statements, in all material respects, fairly present the Corporation's financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles. In addition, the external auditor reports on whether proper books of account have been kept by the Corporation, the consolidated financial statements are in agreement therewith, and transactions, in all significant respects, are in accordance with the *Financial Administration Act* as applicable, the *Yukon Development Corporation Act* and the bylaws of the Corporation and its wholly-owned subsidiaries. The Auditor's Report, which follows, outlines the scope of this examination and the auditor's opinion.

The Corporation's Board of Directors, through its Audit and Finance Committee, oversees management's responsibilities for financial reporting. The Audit and Finance Committee meets with management and the independent external auditor to discuss auditing and financial matters, to gain assurance that management is carrying out its responsibilities and to review and approve the consolidated financial statements. The auditor has full and free access to the Audit and Finance Committee, with and without the presence of management.

Blaine R Anderson

David Morrison
Chief Executive Officer

Blaine Anderson, C.A.
Chief Financial Officer

Whitehorse, Yukon
March 13, 2009

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister responsible for the Yukon Development Corporation

I have audited the consolidated balance sheet of the Yukon Development Corporation as at 31 December 2008 and the consolidated statements of operations, comprehensive income and retained earnings and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Yukon Development Corporation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation and by its wholly-owned subsidiary and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Corporation and of its wholly-owned subsidiary that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* of Yukon and regulations, the *Yukon Development Corporation Act* and regulations, the *Public Utilities Act* and regulations, the *Business Corporation Act*, and the articles and bylaws of the Corporation and its wholly-owned subsidiary.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Vancouver, Canada
13 March 2009

Yukon Development Corporation

Consolidated Balance Sheet

As at December 31, (in thousands of dollars)	2008	2007
Assets		
Current assets		
Cash	$ 686	$ 6,348
Accounts receivable (note 5)	5,291	3,701
Materials and supplies	2,566	2,352
Prepaid expenses	278	186
Current portion of direct financing leases (note 8)	682	583
	9,503	13,170
Energy infrastructure fund (note 6)	760	734
Customer contribution financing (note 7)	14,991	-
Direct financing leases (note 8)	1,335	2,017
Property, plant and equipment (note 9)	190,633	157,787
Diesel contingency fund (note 10)	883	856
Deferred uninsured losses (note 11)	556	463
Deferred charges (note 12)	13,517	9,205
	$ 232,178	$ 184,232
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 13)	$ 8,568	$ 4,266
Derivative related liability (note 26)	1,397	-
Current portion of long-term debt (note 16)	3,738	1,987
	13,703	6,253
Faro Mine dewatering deferral revenue (note 14)	1,191	1,191
Long-term pension liability (note 22)	801	741
Deferred revenue (note 15)	6,999	7,256
Energy Infrastructure Fund (note 6)	760	734
Long-term debt (note 16)	29,936	17,201
Contributions in aid of construction (note 17)	32,960	6,322
Regulatory provision for future removal and site restoration costs	5,168	5,241
Diesel contingency fund (note 10)	883	856
	92,401	45,795
Equity		
Contributed capital	41,501	41,501
Retained earnings	98,276	96,936
	139,777	138,437
	$ 232,178	$ 184,232

Commitments and Contingencies (notes 24 and 25)

The accompanying notes are an integral part of the financial statements.

Approved by the Board:

Chair

Director

Yukon Development Corporation

Consolidated Statement of Operations, Comprehensive Income and Retained Earnings

For the year ended December 31, (in thousands of dollars)	**2008**	2007
Revenue		
Sales of power (note 18)	$ 28,311	$ 27,766
Allowance for funds used during construction	774	138
Other income	285	118
Interest income	257	415
Finance income	245	308
	29,872	28,745
Expenses		
Administration (note 19)	7,841	7,399
Operations and maintenance (note 20)	6,760	5,599
Amortization of property, plant and equipment	5,140	4,728
Interest on long-term debt	1,229	1,390
Amortization of deferred charges and water licensing costs	948	1,119
Provision for uninsured losses (note 11)	50	100
Programs	-	426
	21,968	20,761
Net income before other items	**7,904**	7,984
Settlement of lawsuit (note 23)	**(3,000)**	-
Rate stabilization (note 1)	**(2,167)**	(3,212)
Unrealized loss on interest rate swaps (note 26)	**(1,397)**	-
Net income	**1,340**	4,772
Other comprehensive income	**-**	-
Comprehensive income	**1,340**	4,772
Retained earnings, beginning of year	**96,936**	92,164
Retained earnings, end of year	**$ 98,276**	$ 96,936

The accompanying notes are an integral part of the financial statements.

Yukon Development Corporation

Consolidated Statement of Cash Flows

For the year ended December 31, (in thousands of dollars)	**2008**	2007
Operating activities		
Cash receipts from customers	$ 28,789	$ 28,225
Cash paid to employees and suppliers	(21,115)	(17,751)
Interest paid	(1,229)	(1,389)
Interest received	502	723
Cash provided by operating activities	**6,947**	9,808
Financing activities		
Repayment of long-term debt	(1,936)	(1,902)
Proceeds from long-term debt	16,081	-
Contributions in aid of construction	26,638	236
Cash provided by (used in) financing activities	**40,783**	(1,666)
Investing activities		
Addition to property, plant and equipment	(37,975)	(10,745)
Proceeds from investments	583	475
Increase in long-term receivable	(16,000)	-
Cash used in investing activities	**(53,392)**	(10,270)
Net decrease in cash	**(5,662)**	(2,128)
Cash, beginning of year	**6,348**	8,476
Cash, end of year	**$ 686**	$ 6,348

The accompanying notes are an integral part of the financial statements.

1. Nature of Operations

Yukon Development Corporation (the "Corporation") was originally established under the *Yukon Development Corporation Act* to participate with the private sector in the economic development of the Yukon, to make strategic investments to the benefit of the territory and to acquire and operate the assets of Northern Canada Power Commission in the Yukon. In 1993, the Corporation's mandate was changed to restrict its new initiatives to energy-related activities designed to promote the economic development of the Yukon.

The Corporation's wholly-owned subsidiary, Yukon Energy Corporation (the "Utility") was incorporated under the *Yukon Business Corporations Act*. The Utility transmits, distributes and sells electrical energy in the Yukon and is subject to overall regulation by the Yukon Utilities Board (YUB) and specific regulation by the Yukon Territory Water Board. Both of these boards are independent from the Utility. The Utility is also exempt from the Financial Administration Act (Yukon).

Rate Regulation

The operations of the Utility are regulated by the YUB pursuant to the *Public Utilities Act (Yukon)*. There is no minimum requirement for the Utility to appear before the YUB to review rates. However, the Utility is not permitted to charge any rate for the supply of power that is not approved by an Order of the YUB. The Utility is subject to a cost of service regulatory mechanism under which the YUB establishes the revenues required (i) to recover the forecast operating costs, including depreciation and amortization, of providing the regulated service, and (ii) to provide a fair and reasonable return on utility investment or rate base. Whereas actual operating conditions may vary from forecast, actual returns achieved can differ from approved returns.

The regulatory hearing process used to establish or change rates typically begins when the Utility makes an application for its proposed electricity rate changes over the next one or two forecast years. The YUB must ensure that its decision, which fixes electricity rates, complies with appropriate principals of rate making, all relevant legislation including the *Public Utilities Act* and directives issued by the Yukon Government through Orders-In-Council that specify how the interests of the customer and Utility are to be balanced.

The YUB typically follows a two-stage decision process. In the first stage, the total costs that the Utility will incur to provide electricity to its customers over the immediate future are reviewed and approved. The approval of these costs determines the total revenues the Utility is allowed to collect from its customers. It is the responsibility of the YUB to examine the legitimacy of three classes of costs:

- the costs to the Utility to run its operations and maintain its equipment (personnel and materials);
- the cost associated with the amortization of all capital equipment; and
- the return on rate base (the costs related to borrowing that portion of rate base which is financed with debt, and the costs to provide a reasonable rate of return on that portion of rate base which is financed with equity).

As well, in the first stage, the YUB reviews the addition of costs to rate base and assesses these costs to ensure they are prudent. In the second stage, the YUB approves how the revenue will be raised.

The second stage essentially determines the electricity rates for the various customer classes in the Yukon: residential, government, commercial and industrial. This process is guided mainly by requirements of Yukon Government Order-in Council 1995/90 and can include a cost-of-service study which allocates the overall Utility's cost of service to the various customer classes on the basis of appropriate costing principles. Normally, the Utility applies for rates in advance of the applicable years. The last rate application was for the 2005 year. The Utility filed a rate application on October 6, 2008 for the 2008 and 2009 forecast years.

1. Nature of Operations - continued

Water Regulation

The Yukon Territory Water Board pursuant to the *Yukon Waters Act* decides if and for how long the Utility will have a water license for the purposes of operating hydro generation stations in the Yukon. The licenses will also indicate terms and conditions for the operation of these facilities.

Rate Stabilization Fund

In May 2008, the Yukon Government authorized the continuation of the Rate Stabilization Fund (the "Fund") for one year at current levels, to July 1, 2009. The Fund provides subsidies to non-government residential, commercial and municipal customers. It was implemented in 1998 after the Faro mine closed to protect customers from significant bill increases that would have resulted from that shutdown. The total subsidy payments made by the Corporation during the current year were $2.1 million (2007 - $3.2 million)

2. Change in Accounting Policies

Capital disclosures

Effective January 1, 2008, the Corporation adopted the new CICA Section 1535, *Capital Disclosures*. The section establishes standards for disclosing information that enables users of financial statements to evaluate how an entity manages its capital structure (i.e. debt, equity), its objectives, policies and processes for managing its capital, quantitative data about what the Corporation regards as capital and whether the Corporation has complied with any capital requirements and, if it has not complied, the consequence of such non-compliance. The additional disclosure is presented in note 27. As this section only addresses disclosure requirements, there is no impact on the Corporation's operating results.

Financial Instruments - Disclosure and presentation

Effective January 1, 2008, the Corporation adopted the new CICA Handbook Sections 3862, *Financial Instruments - Disclosures* and 3863, *Financial Instruments - Presentation*. These Sections require the disclosure of information with regards to the significance of financial instruments for the Corporation's financial position and operations, the nature and extent of risks arising from financial instruments to which the Corporation is exposed during the period and at the balance sheet date, and how the Corporation manages those risks. These Sections replace CICA Handbook Section 3861 "Financial Instruments - Disclosure and Presentation". The additional disclosures required as a result of adopting these standards are included in note 26.

Inventories

Effective January 1, 2008, the Utility adopted the new CICA Handbook Section 3031, *Inventories*, which is based on International Accounting Standards ("IAS") 2. The new section replaces the existing Section 3030, *Inventories*. Under the new section, inventories are required to be measured at the "lower of cost and net realizable value", which is different from the existing guidance of "lower of cost and market". Due to the changes in the section the Utility will account for major spare parts, which were previously reported as materials and supplies, as property, plant and equipment. The adoption of this new standard did not have a significant impact on the Corporation's financial statements.

3. Significant accounting policies

Financial Statement Presentation

The consolidated financial statements of the Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") and include the accounts of Yukon Development Corporation and its wholly owned subsidiary, Yukon Energy Corporation. All significant inter-company transactions and balances have been eliminated on consolidation.

3. Significant accounting policies - continued

The consolidated financial statements also reflect the regulatory policies adopted by the Utility which differ from the accounting policies otherwise expected using GAAP. In particular, the timing of the Utility's recognition of certain assets, liabilities, revenues and expenses as a result of regulation differ from that of a non-regulated enterprise. Impacts of accounting for rate regulated operations are further described in note 4. Consequently, the significant accounting policies have been classified accordingly in the notes below:

Rate regulated accounting policies adopted by the Utility

Property, plant and equipment
The Utility capitalizes an allowance for funds used during construction ("AFUDC") calculated at the weighted average cost of capital which was 7.61% for 2008 (2007 - 7.81%). Upon retirement or disposal any gain or loss is charged to income in the current year for assets amortized on an individual basis, or charged to accumulated amortization for assets amortized on a pooled basis.

Faro Mine Dewatering deferral revenue
Faro mine dewatering deferral revenue represents amounts ordered by the YUB to be held by the Utility on behalf of ratepayers. Typically these amounts are either refunded to the customers or applied to ratepayer deficits through the ratesetting process or through YUB orders.

Deferred uninsured losses
The Utility maintains a regulatory account for recording uninsured losses. An annual provision is approved by the YUB and collected through customer rates. Variances between the approved annual provision and actual costs incurred are deferred until the following general rate application or until a specific application is made to the YUB requesting recovery from or refund to customers.

Deferred charges
Deferred charges are recorded at cost less accumulated amortization.

All deferred charges are amortized to earnings on a straight-line basis over terms approved by the Yukon Utilities Board.

Cost of feasibility studies are amortized on a straight-line basis over five years. Cost of infrastructure planning are amortized on a straight-line basis over terms that mimic the length of time the benefit would be received. The longest term of amortization is ten years.

Regulatory hearing costs that are approved by the Yukon Utilities Board are amortized over three years. The remaining amounts in hearing costs at year end are waiting for an approval term by the Yukon Utilities Board.

Deferred customer service costs are being amortized over twelve years. These costs are awaiting YUB approval. If the YUB denies these expenditures in whole or in part, the Utility will be obligated to expense that portion of cost denied.

Regulatory provision for future removal and site restoration costs
The Utility maintains a provision for the future removal of property, plant and equipment and the costs of site restoration related to those assets. Per YUB Order 2005-12 no additional provision is permitted. This account provides for the costs of demolishing, dismantling, tearing down, or otherwise disposing of an asset and any site restoration costs, net of actual recoveries. This account is not used when the costs relate to an asset retirement obligation.

3. Significant accounting policies - continued

Deferred revenue
Deferred revenue represents a gain on fire insurance proceeds received related to a fire at the Whitehorse Rapids Generating Station in 1997. The gain is being amortized to income over its usfeul life which is the same rate as the replacement assets.

Diesel contingency fund
The Utility maintains an asset and an offsetting liability on behalf of ratepayers. The fund is used to reimburse the Utility for costs associated with diesel generation required when there is not sufficient water for hydraulic generation to meet demand. The Utility is required to file an annual report with the YUB on the fund's activity. The Utility is required to file an annual report with the YUB on the fund's activity.

Generally Accepted Accounting Principles ("GAAP") adopted by the Corporation and Utility

Revenue recognition
All revenues are recognized in the period earned. Revenue from the sale of power is recognized based on cyclical meter readings. Sales of power includes an accrual for electricity deliveries not yet billed.

Materials and supplies
Diesel fuel, materials and supplies are recorded at the lesser of average cost and net realizable value. Obsolete materials and supplies are recorded at salvage value in the period when obsolescence is determined. Major spare parts are recorded in the Utility's books as property and equipment.

Property, plant and equipment
Property, plant and equipment is stated at cost which includes materials, direct labour, a proportionate share of directly attributable administration overhead, and finance charges capitalized during construction, less accumulated amortization. Amortization is based on the straight-line method over the estimated economic life of the assets as follows:

Generation	
Hydro-electric plants	30 to 65 years
Diesel plants	25 to 45 years
Wind turbines	30 years
Transmission	40 to 50 years
Distribution	25 to 40 years
Buildings	20 to 40 years
Financial Information System	5 to 10 years
Transportation	9 to 31 years
Other equipment	5 to 20 years

Asset retirement obligations
On an annual basis the Utility identifies legal obligations associated with the retirement of tangible long-lived assets. Where a reasonable estimate of the fair value of these obligations can be determined, the total retirement costs are to be recorded as a liability at fair value, with a corresponding increase to property, plant and equipment.

The Utility has determined that it has tangible long lived assets with associated future legal obligations for retirement. As the Utility anticipates using the assets for an indefinite period, the date of removal of these assets cannot be reasonably determined, and therefore an asset retirement obligation has not been recorded. When the timing and amount of the retirement can be reasonably estimated, an asset retirement obligation and the corresponding increase in property, plant and equipment asset will be recognized.

3. Significant accounting policies - continued

Direct financing leases
Investments in direct finance leases classified as current assets are carried at the lower of cost and market value. Other investments in direct finance leases are carried at cost less a write-down, if necessary, for any impairment in value which is other than temporary.

Contributions in aid of construction
Certain property, plant and equipment additions are made with the assistance of cash contributions from customers or Government. These contributions are deferred upon receipt and are amortized to income on the same basis as the assets to which they relate. Amortization of contributions from customers is netted on the statement of operations against amortization expense.

Deferred water licensing costs
Costs related to obtaining water license renewals are deferred and amortized to earnings on a straight-line basis over the term of the license. The Utility operates its hydro generation facilities under three separate water licenses, with terms ranging from 17 to 25 years.

Employee pension plan
The Utility has a defined benefit pension plan which provides for pensions based on length of service and final average earnings. Employees joining the Utility after January 1, 2002 are not eligible to participate in the defined benefit plan. The cost of pension benefits is actuarially determined using the projected benefits method, prorated on service, and reflects management's best estimates of investment returns, wage and salary increases, and age at retirement. Adjustments resulting from plan enhancements, actuarial gains and losses, and changes in assumptions are amortized over the expected average remaining service period of active employees. Pension costs include the current cost of service and amortization of past service benefits and plan enhancements, and actuarial gains and losses. Amortization is on a straight-line basis over the expected average remaining service period of active employees, which is currently 12 years. The transitional asset that arose when this policy was first applied is amortized over the average remaining service period of active employees expected to receive benefits under the benefit plan as of January 1, 2000. The expected return on plan assets is based on the fair value of these assets.

Financial instruments
Financial assets and financial liabilities are recognized on the Corporation's balance sheet when the Corporation becomes party to the contractual provisions of the instrument.

Cash
Cash is comprised of cash on hand and in bank accounts.

Accounts receivable and long-term receivable
Accounts receivable and the long-term receivable are measured at amortized cost less any impairment.

Accounts payable and accrued liabilities
Accounts payable and accrued liabilities are measured at amortized cost.

Long-term debt
Long-term debt is initially recognized at fair value. Subsequent to initial recognition, long-term debt is measured at amortized cost.

Derivative financial instruments
The Corporation enters into interest rate swaps to manage cash flow interest rate risk.

3. Significant accounting policies - continued

Interest rate swaps are recognized at fair value on the date a contract is entered into with unrealized gains and losses reported in earnings during the period of change. The Corporation does not apply hedge accounting to its derivatives.

Fair value estimation
The carrying value of the accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the immediate or short-term maturity of these financial instruments.The fair value of the long-term receivable and the long-term debt is estimated by discounting the future cash flows using current rates for financial instruments subject to similar risks and maturities. The fair value of derivative financial instruments is estimated using market standard valuation techniques.

Environmental Liabilities
Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. The Utility will accrue a liability and record an expense, related to present or past activities of the Utility, when there is a legal obligation to remediate the contamination and the costs can be reasonably estimated. If the likelihood of the Utility's obligation to incur these costs is either not determinable or the costs cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. The Corporation reviews its estimates of future environmental liabilities on an ongoing basis.

Measurement uncertainty
The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates include those for revenue, accounts receivable, property, plant and equipment, asset retirement obligations and employee pension obligations. Actual results could differ by a significant amount from these estimates.

Management's estimates and assumptions, especially those affecting the reported amounts of regulated assets and the Utility's ability to recover the cost of these assets through future rates, are subject to decisions of the YUB as described in note 4.

Future accounting changes
Effective January 1, 2009 the CICA has removed a temporary exemption in Section 1100, *Generally Accepted Accounting Principles*, which provides relief to entities subject to rate regulation from the requirement to apply the section to the recognition and measurement of assets and liabilities arising from rate regulation. Management is currently assessing the impact of the change on the Corporation's financial statements which may be significant.

On February 13, 2008 the Canadian Accounting Standards Board of Canada confirmed the adoption of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) in place of Canadian Generally Accepted Accounting Principles (GAAP) effective January 1, 2011. The Corporation and the Utility are required to present their first set of published IFRS statements for the year ended December 31, 2011 with comparative information. Although IFRS uses a conceptual framework similar to Canadian GAAP, there are differences in accounting standards and the Corporation and the Utility are currently assessing the impact of those differences.

To facilitate the conversion process, the Corporation and the Utility have appointed an external advisor and assembled a core project team. Project planning started with a high level diagnostic review of significant differences between IFRS and Canadian GAAP. Areas with significant differences that will impact the Corporation and the Utility include: Regulatory Accounting, Property, Plant & Equipment, Employee Benefits and the overall presentation of the consolidated financial statements.

3. Significant accounting policies - continued

The overall impact of the change cannot be determined at this point. Effective for years starting on or after October 1, 2008, the CICA has issued Section 3064 *Goodwill and Intangible Assets* which replaces Sections 3062 Goodwill and Other Intangible Assets and 3450 *Research and Development*. The new section is in alignment with IFRS IAS 38 with respect to the definition and initial recognition criteria of intangible assets, including internally generated intangible assets. Section 3064 reinforces the distinction between costs that should be expensed and those that should be capitalized. The adoption of the new Standard is not expected to have a material impact on the earnings or assets of the Corporation.

4. Financial statement effects of rate regulation

Certain items in these consolidated financial statements are accounted for differently than they would be in the absence of rate regulation.

Where regulatory decisions dictate, the Utility defers certain costs or revenues as assets or liabilities on the balance sheet and records them as expenses or revenues in the statement of income as it collects or refunds amounts through future customer rates. Any adjustments to these deferred amounts are recognized in earnings in the period that the YUB renders a subsequent decision. Regulatory assets represent future revenues associated with certain costs, incurred in the current period or in prior periods, which are expected to be recovered from customers in future periods through the rate-setting process. Regulatory liabilities represent future reductions or limitations of increases in revenues associated with amounts that are expected to be refunded to customers as a result of the rate-setting process.

In the absence of rate regulation the Utility's net income would have decreased by $5,860,000 in 2008 (2007 - decreased by $378,000). The following describes each of the circumstances in which rate regulation affects the accounting for a transaction or event:

	2008	2007	Expected remaining recovery/ settlement (years)	For 2008 In the absence of Rate Regulation the Utility's Net Income would have increased (decreased) by:
Regulatory assets				
Deferred charges (note 12), net book value				
Feasibility studies and infrastructure planning	$ 5,787	$ 2,319	1 to 10	$ (3,468)
Deferred customer service costs	764	-	12	(764)
Downsizing costs	-	24	0	24
Hearing costs	1,348	1,071	Indeterminate	(277)
Dam safety review	13	27	1	14
Diesel contingency fund (note 10)	883	856	Indeterminate	(27)
	8,795	4,297		(4,498)
Regulatory liabilities:				
Faro Mine dewatering deferral revenue (note 14)	1,191	1,191	Indeterminate	-
Deferred revenue	7,356	7,626	28	(270)
Deferred uninsured losses (note 11)	(556)	(463)	Indeterminate	(93)
Regulatory provision for future removal and site restoration costs	5,168	5,241	Indeterminate	(73)
Diesel contingency fund (note 10)	883	856	Indeterminate	27
	14,042	14,451		(409)

4. Financial statement effects of rate regulation - continued

	2008	2007	Expected remaining recovery/ settlement (years)	For 2008 In the absence of Rate Regulation the Utility's Net Income would have increased (decreased) by
Net impact of assets and liabilities	$ (5,247)	$ (10,154)		$ (4,907)
Impact of items through income statement				
AFUDC				(774)
Fuel Price Adjustment				(179)
Total effect				(5,860)

Regulatory assets

(a) Deferred charges

Deferred charges represent costs which have been deferred and are being amortized over various periods. In the absence of rate regulation, GAAP would require such costs to be recognized as expenses in the year incurred.

Feasibility studies and infrastructure planning

The costs of determining the feasibility of future capital projects that did not result in a capital project are deferred and amortized over various terms as approved by the Yukon Utilities Board. In the absence of rate regulation, expenses in 2008 would have been $3,468,000 higher (2007 - $680,000 lower expenses).

Deferred Customer Service Costs

The costs associated with negotiating terms of service with a new industrial customer. In the absence of rate regulation, expenses in 2008 would have been $764,000 higher.

Downsizing costs

Costs incurred to assist in downsizing the Utility's workforce are capitalized and amortized to expense over seven years as approved in the Utility's 1993/94 General Rate Application and reconfirmed in YUB Order 2005-12. In the absence of rate regulation, expenses in 2008 would have been $24,000 lower (2007 - $47,000 lower expenses).

Hearing costs

These costs are associated with the YUB regulatory proceedings that were held in 2005 and the Resource Plan Proceedings that were held for the Carmacks-Stewart Transmission Project in 2007. The costs consist primarily of legal and consulting costs incurred by the Utility, and reimbursement of YUB and intervenor costs. YUB Order 2005-12 directed the Utility to defer and amortize the approved hearing costs over three years.

YUB Order 2007-9 directed the Utility to record the Resource Plan Proceeding costs in a Hearing Reserve Account and in the next GRA to include a proposal on how to dispense with the hearing reserve account. In the absence of rate regulation, expenses in 2008 would have been $277,000 higher (2007 - $760,000 higher expenses).

Dam safety review

The Utility has a program of conducting reviews of the safety of its dams in accordance with standards set by the Canadian Dam Association. External consultants are hired every five years with intermittent costs incurred in the interim periods. These costs are amortized over five years as approved by the Utility's 1991/92 General Rate Application and reconfirmed in YUB Order 2005-12. In the absence of rate regulation, expenses in 2008 would have been $14,000 lower (2007 - $22,000 lower expenses).

4. **Financial statement effects of rate regulation - continued**

(b) Diesel contigency fund
The Diesel contingency fund ("DCF") was established by YUB Order 1996-6 through the Negotiated Settlement process. The DCF is administered by the Utility on behalf of the YUB, and as such is recorded as an asset and a liability. The DCF attracts interest based upon short-term bond rates in which the Utility invests the funds held in trust. Any negative balance attracts interest at the lowest short-term borrowing rate available to the Utility through its line of credit. Pursuant to YUB Order 1996-6, the Utility from time to time is required to transfer amounts to or from the trust it maintains on behalf of ratepayers to reimburse the Utility for costs associated with diesel generation required when there is not sufficient water for hydraulic generation to meet demand. In the absence of regulation, GAAP would have required any interest earned or incurred to be included in the Utility's net income in the year in which they occurred. In the absence of rate regulation, the Utility's net income in 2008 would have been higher by $27,000 from interest earned on the DCF (2007 - $35,000 higher income and expenses).

Regulatory liabilities

(c) Faro Mine dewatering deferral revenue
As directed by YUB Order 1998-5, all revenues, less any incremental costs to provide the service, collected from the Faro Mine under Rate Schedule 34 (Faro Mine Firm Shutdown Power) prior to December 31, 2004, were deferred for the benefit of ratepayers pending direction from the YUB. YUB Order 2005-12 confirmed that effective January 1, 2005 the Faro minesite would be charged the General Service-Government rate so there will be no further increases to Faro Mine Dewatering Deferral Account. This order also approves the Utility to draw down on the Faro Mine dewatering revenue to fund its approved revenue shortfall. YUB Order 2007-2 set the approved 2007 revenue shortfall at $292,000. In the absence of rate regulation, GAAP would have required only the recognition of actual sales earned during the year. In 2008 there were no amounts approved by the YUB for deferral (2007 revenue would have been $292,000 lower). The period over which the remaining liability will be recognized as revenue for the benefit of ratepayers is dependent on future YUB Board orders and, therefore, cannot be estimated.

(d) Deferred revenue
The deferred revenue relates to a fire at the Whitehorse Rapids Generating Station in 1997 which, pursuant to YUB Order 2000-3, is being amortized to income at the same rate as the replacement assets. In the absence of rate regulation, GAAP would have required the gain to have been completely recognized as income in the year received. As a result, the Utility's net income in 2008 would have been lower by the amount of the amortization of $270,000 (2007 - $270,000 lower).

(e) Deferred uninsured losses
The YUB has approved the use of a provision for uninsured damages and injuries as a means of self-insurance. The provision is maintained through an annual provision approved by the YUB. In order to eliminate the deficit rate payers held as a result of uninsured losses, the Utility was directed by YUB Order 2005-12 to transfer the insurance proceeds being held on behalf of rate payers of $744,000 to the reserve for uninsured loss, and increase the annual provision from $50,000 to $100,000 for the years 2005 to 2007. After 2007 the provision was reduced to $50,000. In the absence of rate regulation, GAAP would require costs to be expensed as incurred and, therefore, expenses in 2008 would have been higher by $78,000 (2007 - $37,000 lower). The period over which the provision will be recovered is dependent on the magnitude of future actual losses incurred and cannot be estimated.

(f) Regulatory provision for future removal and site restoration costs
Pursuant to amortization rates approved by the YUB in the Utility's previous general rate applications, under section 23(1)(b) of the *Public Utilities Act*, the Utility has maintained a reserve for future removal and site restoration costs. As a result of the YUB Order 2005-12, effective January 1, 2005, the Utility is required to maintain this reserve as a regulatory provision in addition to any asset retirement obligations. The provision is not to exceed the cumulative value of the provision at December 31, 2004 of $5,757,000. YUB Order 2005-12 also directs the Utility to notify interveners and interested parties when the balance of the provision reaches $2,000,000.

4. Financial statement effects of rate regulation - continued

Costs of dismantling capital assets, including site remediation, will be applied to this regulatory liability if they do not otherwise relate to an asset retirement obligation. In a non-regulated industry, future removal and site restoration costs would be limited to asset retirement obligations, and the removal and site restoration costs would be expensed in the year incurred if they did not relate to an asset retirement obligation. In the absence of rate regulation, the Utility's 2008 expense would have been higher by the amount of actual removal and site restoration costs incurred in the year of $73,000 (2007 expenses - $158,000 lower). The period over which the provision will be settled is dependent on the future costs of demolishing, dismantling, tearing down, or otherwise disposing of the asset, and site restoration net of actual recoveries, and is, therefore, indeterminate.

(g) Fuel price adjustment
OIC 1998/90 directs the YUB to permit the Utility to adjust electricity rates to reflect fluctuations in the price of diesel fuel. The amount by which actual fuel prices vary from the YUB approved rates is deferred and recovered from or refunded to customers in a future period.

In the absence of rate regulation, GAAP would require that actual diesel fuel expenses be included in the operation result of the year that they are incurred. In 2008, fuel expenses were deferred and consequently lower by $179,000 (2007 - $72,000 lower).

Other items affected by rate regulation
The Utility is required under the *Public Utilities Act* to obtain prior approval from the YUB before making changes to depreciation, amortization, and depletion rates and methods. The YUB permits an allowance for funds used during construction ("AFUDC"), based on the Utility's weighted average cost of capital, to be included in the rate base. AFUDC is also included in the cost of property, plant and equipment for financial reporting purposes, and is amortized over future periods as part of the total cost of the related asset, based on the expectation that amortization expense, including the AFUDC component, will be approved for inclusion in future customer rates. Since AFUDC includes not only a cost of debt component, but also a cost-of-equity component, it exceeds the amount allowed to be capitalized in similar circumstances in the absence of rate regulation. In the absence of rate regulation, revenue would be $774,000 lower (2007 - $138,000 lower).

It is the Utility's policy to charge to income, in the year of disposal, any gain or loss upon retirement or disposal of land or vehicles. As approved by the YUB, the gain or loss on all other property, plant and equipment is deferred and amortized over the expected life of the remaining pool of similar assets. In the absence of rate regulation, GAAP would require the gain or loss on the disposal or retirement of all property, plant and equipment to be included in income in the period of disposal or retirement.

The Utility's policy of maintaining a constant capital structure of 60% debt and 40% equity is reviewed by the YUB as part of the rate setting process and in the determination of the return on rate base. In the absence of rate regulation, the Utility would determine the appropriate capital structure solely based on decisions by the Board of Directors of the Utility, which may differ from the current policy.

All amounts maintained as regulatory assets and liabilities are expected to be recovered or settled over the periods noted above. However, there are risks and uncertainties associated with the recovery or settlement related to potential future decisions of the regulator which could result in material adjustments to these assets and liabilities.

5. Accounts receivable

		2008		2007
Wholesale energy sales	$	2,773	$	2,853
Retail energy sales		1,161		824
Customer contribution financing (note 7)		1,009		
Other		348		24
	$	5,291	$	3,701

6. Energy infrastructure fund

		2008		2007
Energy infrastructure fund	$	760	$	734

Energy infrastructure fund represents cash held by the Corporation on behalf of a Yukon First Nation for investment in energy infrastructure. The ultimate use of these funds is subject to the finalization of necessary investment agreements. An equal offsetting liability is recorded. The amount is recorded at fair value.

7. Customer contribution financing

Under the terms of a Power Purchase Agreement with an industrial customer, the Utility has agreed to finance the cost of assets built to serve the customer. Of the total financed cost, $8.881 million will be repaid with blended principal and interest payments over 7 years at 7.5% interest. The remainder of $7.2 million is also financed at 7.5% with interest only payments payable monthly for the first four years and the principal repaid with blended payments over the succeeding 3 years. At the direction of the Yukon Utilities Board, the collection risk on this instrument is borne by the Corporation. The amount receivable in 2009 is $1.009 million.

The fair value of the long-term receivable as at December 31, 2009 approximates its carrying value given the loan was entered into with an industrial customer on November 22, 2008 under normal market terms.

8. Direct financing leases

The Corporation's investments in direct financing leases are summarized as follows:

		2008		2007
Direct financing leases	$	2,017	$	2,600
Less: current portion		682		583
	$	1,335	$	2,017

In 1990, the Corporation acquired the building known as Old Yukon College from the Yukon Government for a nominal fee. The building was renovated and is being leased back to the Government for a period of 20 years. At the end of the lease term (in 2011) the Government may purchase the building from the Corporation for a nominal fee. Interest from the lease is recognized as finance income.

8. Direct financing leases - continued

The investment was $1,666,169 in 2008 (2007 -$2,204,022). The monthly lease payments on the building are $65,348.

In 2003, the Corporation financed an electric boiler system for the Yukon Hospital Corporation for a total cost of $595,898. The repayment terms on this lease stipulate that one half of the energy cost savings resulting from the boiler usage during the year will be repaid against the investment. Interest on this investment is earned at the rate of 7.5% per annum and is recognized as finance income. The investment balance was $350,884 in 2008 (2007 - $395,898).

9. Property, plant and equipment

	Cost	Accumulated Amortization	2008 Net Book Value	2007 Net Book Value
Generation	$ 139,687	$ 52,081	$ 87,606	$ 89,917
Transmission	77,873	13,138	64,735	36,502
Buildings and other equipment	16,723	6,371	10,352	10,094
Distribution	26,307	5,721	20,586	10,002
Construction-in-progress	4,340	-	4,340	8,345
Transportation	2,861	964	1,897	1,808
Financial information system	1,303	1,303	-	-
Land and land rights	1,117	-	1,117	1,119
	$ 270,211	**$ 79,578**	**$ 190,633**	$ 157,787

10. Diesel contingency fund

	2008	2007
Balance, beginning of year	$ 856	$ 821
Interest	27	35
Balance, end of year	**$ 883**	$ 856

Diesel contingency funds are monies invested in a pooled money market fund. The short-term securities held in the fund have an average maturity less than 90 days. Earnings are distributed monthly on a pro-rata share of the total fund. Annual return on investment for 2008 was 3.43% (2007 - 4.63%). The fair market value of these investments is equal to the carrying amount.

11. Deferred uninsured losses

	2008	2007
Balance, beginning of year	$ 463	$ 500
Provision	(50)	(100)
Losses incurred		
Asset replacement	143	63
Balance, end of year	$ 556	$ 463

12. Deferred charges

	Cost	Accumulated Amortization	2008 Net Book Value	2007 Net Book Value
Deferred water licensing costs	$ 9,007	$ 3,468	$ 5,539	$ 5,687
Feasibility studies and infrastructure planning	7,063	1,276	5,787	2,319
Hearing costs	2,330	982	1,348	1,071
Deferred customer service costs	769	5	764	-
Downsizing costs	334	334	-	24
Dam safety review	213	200	13	27
Deferred financing costs	110	44	66	77
	$ 19,826	$ 6,309	$ 13,517	$ 9,205

13. Accounts payable and accrued liabilities

	2008	2007
Trade payables	$ 7,979	$ 3,012
Employee compensation	434	368
Other	155	886
	$ 8,568	$ 4,266

14. Faro Mine dewatering deferral revenue

	2008	2007
Faro Mine dewatering deferral revenue		
Opening balance	1,191	1,483
Applied to revenue shortfall	-	(292)
Closing balance	$ 1,191	$ 1,191

15. Deferred revenue

	2008	2007
Deferred gain on fire insurance proceeds - capital assets (net of accumulated amortization and adjustments of $3,889 (2007 - $3,606))	$ 6,999	$ 7,256

16. Long-term debt

The Corporation's long-term debt is summarized as follows:

	2008	2007
The Toronto Dominion Bank The Corporation entered into an interest rate swap to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 2.92% per annum. Principal drawdowns are monthly with the balance due on December 27, 2017	$ 16,059	$ -
The Toronto Dominion Bank The Corporation entered into an interest rate swaps to convert the interest rate on the Bankers' Acceptances amounts from a variable interest rate based on the Bankers' Acceptances rates to a fixed rate of 4.82% per annum. Principal drawdowns are quarterly with the balance due on March 30, 2017	8,276	9,062
TD Canada Trust $12,400,000 term note bearing interest at 7.81% payable in monthly installments of $102,000 interest and principal, with the balance due September 30, 2011. The note is guaranteed by the Yukon Government	7,164	7,804
Great West Life $5,750,000 mortgage bearing interest at 11.5%, repayable in monthly installments of $60,269 interest and principal with the final payment due July 2011	1,834	2,322

16. Long-term debt - continued

	2008	2007
Carmacks Stewart First Nation liability Long-term liability payable to several First Nations related to the construction of the Carmacks Stewart Transmission Line. These are non interest bearing, repayable in varying instalments, due in 2028	341	-
	33,674	19,188
Less current portion	3,738	1,987
	$ 29,936	$ 17,201

Mortgage payable
The mortgage is secured by land and buildings described in note 9.

Long-term debt repayment
Scheduled repayments for all long-term debt are as follows:

2009	$ 3,738
2010	3,934
2011	4,144
2012	3,610
2013	3,772
Thereafter	14,476
	$ 33,674

Fair value
Fair value at December 31, 2008 of $34,234,000 (2007 - $20,412,000) for all long-term debt including current portions was estimated using discounted cash flows based on an estimate of the Corporation's current borrowing rate for similar borrowing arrangements.

17. Contributions in aid of construction

	Cost	Accumulated Amortization	**2008** Net Book Value	2007 Net Book Value
Contributions from customers since 1998	$ 20,249	$ 560	$ 19,689	$ 3,668
Pre - 1998 contributions	1,739	988	751	795
Government of Yukon contributions	13,280	760	12,520	1,859
	$ 35,268	**$ 2,308**	**$ 32,960**	$ 6,322

17. Contributions in aid of construction - continued

The sources of contributions from customers and the Government of Yukon received prior to 1998 were not recorded separately. During the year the Utility received $16 million from the Minto Mine and $10 million from the Yukon Government to fund the Carmacks Stewart Transmission Line.

18. Sales of power

	2008	2007
Wholesale	$ 22,999	$ 22,460
General Service	2,804	2,731
Residential	1,316	1,198
Secondary Sales	777	1,000
Other	86	377
Industrial	329	-
	$ 28,311	$ 27,766

19. Administration expenses

	2008	2007
Wages and benefits	$ 3,879	$ 3,440
General office	1,200	1,021
Insurance and taxes	1,028	1,081
Training, recruitment and development	608	465
Information systems	456	530
Board of Directors	279	188
Environmental	130	173
Regulatory loss	196	481
Material management and contracting	65	20
	$ 7,841	$ 7,399

20. Operations and maintenance expenses

		2008		2007
Wages and benefits	$	3,735	$	3,246
Maintenance				
- hydro, diesel and wind		823		677
- lines and substations		869		567
- building and vehicle		882		730
Fuel		291		218
Water level measurement		160		161
	$	6,760	$	5,599

21. Related party transactions

The Corporation is related in terms of common ownership to all Government of Yukon (YG) departments, agencies and Crown Corporations. Transactions with these entities are entered into in the normal course of operations. All transactions with the Utility are recorded at rates set out by the YUB.

The following table summarizes the related party transactions for the year:

		2008		2007
Capital contributions from YG for Carmacks Stewart Transmission Line	$	10,000	$	-
Capital contributions from YG for Aishihik Hydro third turbine		750		-
Program contributions from YG for Fish Hatchery operation		92		82

22. Pension costs and obligations

The Utility sponsors a defined benefit pension plan which provides benefits based on length of service and final average earnings as follows:

- years of pensionable service,
- the average annual earnings during any five consecutive years of pensionable service where earnings are the highest, and
- the average of the years' maximum pensionable earnings (CPP) for the same 5-year period

Annual cost of living increases to a maximum of 3.00% are provided to pensioners. The Utility contributes amounts as recommended by an independent actuary.

Employees make contributions to the plan as follows:

- 3.5% of earnings up to the year's maximum pensionable earnings
- 5.0% of earnings in excess of the year's maximum pensionable earnings to a maximum of $2,500 per year.

The Utility has contracted with external organizations to provide services of trustee, administrator and investment manager for the pension plan.

22. Pension costs and obligations - continued

An actuarial valuation for funding purposes was performed as of January 1, 2007 by the consulting actuarial firm AON Consulting Inc. The next valuation for funding purposes will be conducted as of January 1, 2010. The pension costs and obligations were based on the data used in the January 1, 2007 funding valuation and have been projected to December 31, 2008 in accordance with generally accepted actuarial standards.

The fair value of the plan assets is based on market values as reported by Group Retirement Services, the plan's custodian as at December 31, 2008. The plan assets are invested in a pooled balanced fund. The distribution of assets by major asset class is as follows: equities - 45.1% (2007 - 51.0%), fixed income securities - 45.0% (2007 - 38.2%); and real estate - 9.9% (2007 - 10.8%).

Information about the Utility's defined benefit plan as at December 31, in aggregate, is as follows:

	2008	2007
Discount rate - accrued benefit obligation	6.25%	5.50%
Discount rate - benefit costs	5.25%	5.25%
Expected long-term rate of return on plan assets	6.50%	6.50%
Assumed rate of salary escalation	3.00%	3.00%
Assumed rate of pension indexing	2.50%	2.50%
Expected average remaining service period of active employees	12 years	12 years
Benefit obligation determined by actuarial valuation	$ 9,583	$ 10,010
Fair value of plan assets	6,589	7,500
Plan deficit	$ 2,994	$ 2,510
Unrecognized amount		
- transitional asset	152	169
- net actuarial losses	(2,213)	(1,875)
Accrued benefit liability	$ 933	$ 804

Information about the Utility's defined benefit plan as at December 31, in aggregate, is as follows:

	2008	2007
Current portion of accrued benefit liability	132	63
Long-term portion of accrued benefit liability	801	741
Accrued benefit liability	933	804
Pension expense	$ 523	$ 493
Employer contributions	$ 394	$ 308
Employee contributions	$ 123	$ 113
Benefits paid	$ 154	$ 117

The accrued benefit liability has been recorded on the Utility's books of account and its current portion of $132,000 (2007-$63,000) is included in accounts payable and accrued liabilities on the balance sheet.

Employees joining after January 1, 2002 are not eligible to participate in the defined benefit plan.

22. Pension costs and obligations - continue

The Utility makes contributions to a Registered Retirement Savings Plan ("RRSP") on behalf of these employees and to employees hired before January 1, 2002 who belonged to the defined benefit plan and elected to opt out of that plan. The RRSP is a defined contribution plan. The costs recognized for the period are equal to the Utility's contribution to the plan. During 2008 these were $220,000 (2007 - $184,000).

Total cash payments for employee future benefits for 2008, consisting of cash contributed by the Utility to its funded defined benefit pension plan and cash contributed directly to the RRSP were $614,000 (2007 - $492,000). As at December 31, 2008, the Utility's defined pension plan had 36 members (2007 - 38) and the RRSP had 45 members (2007 - 41).

23. Legal settlement

During the year, the Utility settled an outstanding dispute with the general contractor on the project to construct a transmission line between the Mayo hydro-electricity generation station and the community of Dawson. The settlement agreement required that, among other things, the Utility make a payment to the contractor of $3 million for work performed, plus $264 thousand for funds held on behalf of the contractor resulting from an insurance claim during construction. With this payment the Utility is free of any future liability resulting from this dispute. The Corporation paid these funds on behalf of the Utility.

24. Commitments

Aishihik Water License

The Yukon Territory Water Board issued a water use license in 2002, valid until December 31, 2019, for the Utility's Aishihik Lake facility. In addition to maintaining a minimum and maximum water level, this license commits the Utility to meet a number of future requirements including:

- annual payments of $25,000 until 2011 for the purpose of construction and maintenance of a heritage camp and delivery of programs at the camp;
- a Heritage Mitigation Plan. The Utility did not incur expenditures in 2008 on heritage projects and the amount to be expended in the future has not yet been determined; and
- annual fish monitoring programs.

Fish monitoring programs are also required under an authorization provided by the Federal Government Department of Fisheries and Oceans, which is valid until December 31, 2019. The costs of meeting these requirements are accounted for as water license costs in the year they are paid.

Diesel Generator Purchase

As part of the Power Purchase Agreement (PPA) with Minto Explorations Limited (MEL), the Utility agreed upon commencement of service to the mine and subject to other conditions to pay MEL $2,240,000 for the assignment of four leased diesel generators with a combined continuous rating of 6.4 MW. As at December 31 2008, all conditions had not been met and it cannot be estimated at this time when all conditions will be met.

25. Environmental liabilities

The Utility's activities are subject to various federal and territorial laws and regulations governing the protection of the environment or to minimize any adverse impact thereon.

25. Environmental liabilities - continued

The Utility conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

The Utility has conducted environmental assessments at all its diesel plant sites. At sites where environmental contamination was found and a legal obligation to remediate the site existed, the Utility has conducted a full remediation.

Therefore, as at December 31, 2008 no environmental liabilities, for which a legal obligation exists to remediate, have been identified by the Utility. The Utility will continue to use its Environmental Management System to monitor and assess previous and potential existing environmental liabilities on an ongoing basis.

26. Risk management and financial instruments

At December 31, 2008, the Corporation's and Utility's financial instruments included cash, accounts receivable, long-term receivable, accounts payable and accrued liabilities, long and short-term debt and interest rate swaps.

The Corporation has exposure to the following financial risks: interest rate risk, credit risk and liquidity risk. The Corporations' exposure to these risks arises primarily in relation to its long-term receivable and long-term debt, but also in relation to its other financial assets and liabilities.

The following presents information about the Corporation's exposure to each of the above risks, and how the Corporation manages those risks.

Interest rate risk

Interest rate risk is the risk that future cash flows or the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Corporation has debt for which variable and fixed interest rates apply. The Corporation has entered into interest rate swap agreements to mitigate its cash flow exposure to changes in interest rates on its variable debt. The Corporation is exposed to fair value risk due to changes in interest rates on its fixed rate debt, including the variable rate debt which has been converted from variable to fixed through the use of interest rate swap agreements.

As at December 31, 2008, the Corporation had two interest rate swap agreements in place with notional principal amounts of $16 million and $8 million. The agreements effectively change the Corporation's interest rate exposure on these notional amounts from floating rates to fixed rates of 2.92% and 4.82% respectively.

The fair value of the interest swap agreements at December 31, 2008 was a liability of $1.397 million. The interest rate swap agreements cover the notional debt amounts until 2017 at the fixed interest rates noted above. Fair values for interest rate swaps are provided by the financial institution with whom the swaps are held. During the year the Corporation paid $1.29 million of interest. (2007 - $1.389 million)

Credit risk

Credit risk is the risk of failure of a debtor or counterparty to honour its contractual obligations resulting in financial loss to the Corporation. Financial assets, which potentially subject the Corporation to concentrations of credit risk consist principally of cash, accounts receivable, long-term receivable and interest rate swaps. The maximum credit risk at December 31, 2008 is the fair value of these assets which totals $20.97 million.

Cash and interest rate swaps are placed with high credit quality financial institutions.

26. Risk management and financial instruments - continued

The Corporation's exposure to credit risk associated with its accounts receivable and the long-term receivable is the risk that the debtor or counterparty will not be able to pay amounts as they come due.

Accounts receivable are considered for impairment when they are past due or when objective evidence is received that a customer will default. Management has assessed that the credit risk for accounts receivable is minimal since its primary customer which makes up 50.4% of the accounts receivable at December 31, 2008, is a regulated utility which has had a history of positive cash flow and no impairment. (December 31, 2007 - 57.1%) Consistent with prior years there were no balances owing that are older than 90 days and thus the Corporation did not recognize an allowance for doubtful accounts. There is no history of impairment.

In order to minimize the credit risk on the long-term receivable, management obtained the security of assets for the loan and reviews the recoverable amount at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. Management has considered the customer's credit worthiness by analysis of the entity's financial statements as at December 31, 2008. Based on this analysis, management does not believe that the customer will default on any payments. As at December 31, 2008 management expected to collect the amount of the loan in its entirety.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation through active management of the assets and liabilities and cash flows. At December 31, 2008, the Corporation's accounts payable and accrued liabilities had a carrying value of $8.7 million (2007: $4.3 million).

The Corporation had $17.5 million in undrawn credit facilities at its disposal to further reduce liquidity risk.

27. Capital management

The Corporation and the Utility's capital is their equity which is comprised of share capital and accumulated funds in the form of retained earnings. The Corporation and the Utility manage their equity by managing revenues, expenses, assets and liabilities to ensure their objectives are effectively achieved while remaining a going concern.

Corporation's Capital Management Policy

The Corporation's policy is to minimize debt from operations to the maximum extent possible with available cash flows without impairing the working capital needs of the Corporation. The Corporation has no set debt to capital target, nor are there any loan agreements which impose any capital requirements on the Corporation.

Utility's Capital Management Policy

The Utility monitors its capital on the basis of the ratio of total debt to total capitalization. Debt is calculated as total borrowings which is comprised of long-term debt, including the portion of long-term debt due within one year. Total capitalization is calculated as total debt plus total shareholder's equity as shown on the balance sheet. The Utility maintains a balance in retained earnings as an indicator of the Utility's equity position.

The Utility has a policy which defines its capital structure at a ratio of 60% debt and 40% equity. This policy has been reviewed and accepted by the Yukon Utilities Board.

The long-term debt owing by the Utility to the Yukon Development Corporation of $16 million that relates to the Transmission Line Construction Financing is not included in this calculation. This long-term debt is linked with the long-term receivable from the industrial customer.

27. Capital management - continued

The Utility bears no risk in holding this debt so the amount was removed from this calculation.

The table below summarizes the Utility's debt to total capitalization position:

(thousands of dollars)	2008	2007
Long-term debt due within one year	4,721	-
Long-term debt	102,753	87,263
Total debt	107,474	90,679
Less debt related to the Transmission Line Construction Financing	16,000	-
Total debt to include in the calculation	91,474	90,679
Share capital	39,000	39,000
Retained earnings	21,777	21,394
Total equity	60,777	60,394
Total capitalization	152,251	151,073
Total debt to total capitalization	60 %	60 %

There were no changes in the Corporation's or the Utility's approach to capital management during the period.

28. Non-consolidated financial information

The nature and size of operations of the Corporation and its subsidiary, Yukon Energy Corporation differ substantially. Audited financial statements of Yukon Energy Corporation for the year ended December 31, 2008 are also prepared.

29. Comparative figures

Certain 2007 figures, which are presented for comparative purposes, have been reclassified to conform with the current year's presentation.

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YUKON GOVERNMENT FUND LIMITED

FINANCIAL STATEMENTS

December 31, 2008

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Management Responsibility Statement

The management of Yukon Government Fund Limited is responsible for preparing the financial statements, the notes to the financial statements and other financial information contained in this annual report.

Management prepares the financial statements in accordance with Canadian generally accepted accounting principles. The financial statements are considered by management to present fairly the management's financial position and results of operations.

Management, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by MacKay LLP, Chartered Accountants, the shareholders' auditors. Their report outlines the scope of their examination and their opinion on the financial statements.

Managing Director

CHARTERED
ACCOUNTANTS

MacKay LLP

Auditors' Report

To the Directors of
Yukon Government Fund Limited

We have audited the balance sheet of Yukon Government Fund Limited as at December 29, 2008 and the statements of operations, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 29, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

MacKay LLP

Whitehorse, Canada

June 24, 2009

Chartered Accountants

Yukon Government Fund Limited

Balance Sheet

December 29,	2008	Dec. 31, 2007
Assets		
Current		
Cash	$ -	$ 1,444,193
Liabilities		
Current		
Accounts payable and accrued liabilities	$ -	$ 4,863
Due to Government of Yukon (note 4)	-	116,054
	-	120,917
Shareholder's Equity		
Share capital (note 5)	-	100
Retained earnings	-	1,323,176
	-	1,323,276
	$ -	$ 1,444,193

Approved by the board:

David ____________________ Director

____________________ Director

Yukon Government Fund Limited

Statement of Operations

For the year ended December 29,	2008	Dec. 31, 2007
Revenue	$ 9,183	$ 63,507
Expenses		
Bank charges and interest	270	60
Interest	-	7,370
Professional fees	7,262	5,944
Reporting fees	-	2,215
	7,532	15,589
Net income	$ 1,651	$ 47,918

Yukon Government Fund Limited

Statement of Retained Earnings

For the year ended December 29,	2008	Dec. 31, 2007
Retained earnings, beginning of year	$ 1,323,176	$ 1,275,258
Net income	1,651	47,918
	1,324,827	1,323,176
Dividends paid	(1,324,827)	-
Retained earnings, end of year	$ -	$ 1,323,176

Yukon Government Fund Limited

Statement of Cash Flows

For the year ended December 29,	2008	Dec. 31, 2007
Cash provided by (used for)		
Operating activities		
Net income	$ 1,651	$ 47,918
Change in non-cash working capital items		
Decrease in interest receivable	-	7,737
Decrease in accounts payable and accrued liabilities	(4,863)	(48,259)
	(3,212)	7,396
Financing activities		
Advances to shareholder	(116,054)	-
Decrease in due to investors	-	(2,250,000)
Redemption of share capital	(100)	-
Dividends paid	(1,324,827)	-
	(1,440,981)	(2,250,000)
Investing activity		
Decrease in due from 19596 Yukon Inc.	-	1,225,000
Decrease in cash	(1,444,193)	(1,017,604)
Cash, beginning of year	1,444,193	2,461,797
Cash, end of year	$ -	$ 1,444,193
Supplemental cash flow information		
The company had the following cash transactions:		
Interest paid	$ -	$ 7,370
Interest received	9,183	71,244

1. Nature of operations

Yukon Government Fund Limited ("The Company") is incorporated under the Business Corporations Act (Yukon). The Company is wholly owned by the Government of the Yukon ("the Government").

The Company is a Government administered venture capital fund pursuant to the Immigration Regulations, 1978 (Canada) as amended ("the Regulations"). Under the Regulations, the purpose of the Company is to invest in the active business operations of at least two eligible businesses.

The Company provides loan and equity capital to establish, expand, purchase, maintain or revitalize business or commercial ventures in the Yukon Territory which comply with the Regulations and are of significant economic benefit to the Yukon Territory, including creation or continuation of employment opportunities for Canadian citizens or permanent residents other than the investor and his/her dependants.

2. Significant accounting policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Accounting Changes

Financial Instruments

In the prior years financial statements the Company disclosed that it would be required to adopt and will be adopting the new recommendations of the Canadian Institute of Chartered Accountants regarding the recognition, measurement and presentation of financial instruments following the release of Sections 1530, "Comprehensive income," 3855, "Financial instruments — recognition and measurement", 3862, "Financial Instruments — disclosure," 3863, "Financial Instruments — presentation" and 3865, "Hedges." In September 2008 the CICA announced that the adoption of these sections is not required for non-publicly accountable enterprises. The company chose not to adopt these sections.

(b) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(c) Revenue recognition

Interest income is recognized as revenue in the year in which accrued under the terms of the investment contracts.

(d) Income taxes

The Company is wholly owned by the Yukon Government and is therefore exempt from income taxes.

2. Significant accounting policies (continued)

(e) Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

3. Deferred distribution fees

Legal fees and other expenditures related to the incorporation and issuance of the Confidential Offering Memorandum have been deferred and have been amortized over 5 years, the initial term of the investments. The Government has advanced funds to cover these expenses. A portion of the proceeds of the offering will be used to repay the Government. Distribution fees of 8% of the subscription proceeds have been deferred and amortized over the terms of the investments (5 years).

			2008	Dec. 31, 2007
	Cost	**Accumulated Amortization**	**Net book value**	Net book value
Deferred distribution fees	$ 1,200,000	$ 1,200,000	$ -	$ -
Deferred costs	118,220	118,220	-	-
	$ 1,318,220	$ 1,318,220	$ -	$ -

4. Due to the Government of Yukon

The amount due to the shareholder is unsecured, bears no interest and is due on demand. Fair value cannot be readily determined.

	2008	Dec. 31, 2007
Due to the Government of Yukon	$ -	$ 116,054

5. Share capital

	2008	Dec. 31, 2007

Authorized

Unlimited number of shares without nominal or par value

5. Share capital (continued)

Issued

-	Common shares (2007 - 100)	$	-	$ 100

No dividends, share repurchases or return of capital shall be paid at any time when the Company has outstanding debt obligations to investors. Subject to this restriction, the holders of shares shall have all the rights of a shareholder under the Business Corporations Act, including the right to vote. No shares shall be transferred without the prior consent of the Government.

6. Dissolution

Effective December 29, 2008 the company was dissolved.

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YUKON HOSPITAL CORPORATION

FINANCIAL STATEMENTS

March 31, 2009

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Management Responsibility

The accompanying financial statements of Yukon Hospital Corporation, and all information in the annual report pertaining to the Corporation, are the responsibility of management, and have been approved by the Board of Directors.

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. The financial statements include some amounts, such as the determination of the defined benefit pension plan surplus and the liabilities for accrued severance, retirement and sick leave benefits, that are necessarily based on management's best estimates and judgement. Management has determined such amounts on a reasonable basis. Financial information used in the annual report is consistent with that in the financial statements.

Management maintains a system of internal accounting and administrative controls designed to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

The Board of Directors of the Corporation is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. The Board exercises this responsibility through an Audit Committee consisting of five non-management members. The Audit Committee meets regularly with management and with the external auditors to review the scope and results of the annual audit, and to review the financial statements and related financial reporting matters prior to submitting the financial statements to the Board of Directors for approval.

These financial statements have been independently audited in accordance with Canadian generally accepted auditing standards, the Auditor General of Canada, and her report is included with these financial statements.

Joe MacGillivray
CEO

July 31, 2009

Nick Leenders
Director of Finance

Nick Leenders

July 31, 2009

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Directors of the Yukon Hospital Corporation

I have audited the consolidated statement of financial position of the Yukon Hospital Corporation as at March 31, 2009 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

During the course of the audit, it was discovered that operating room inventory was not included in the current or prior years' inventory balances. The Corporation conducted a count subsequent to year-end to estimate the inventory at March 31, 2009 and was not able to perform roll-back procedures. I could not satisfy myself concerning those inventory quantities by alternative means. Since operating room inventories enter into the determination of the results of operations, I was unable to determine whether adjustments to inventories, supplies expense, surplus of revenue over expenses for the year and opening and closing unrestricted net assets might be necessary.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to verify operating room inventory balances, as described in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Vancouver, Canada
July 31, 2009

Yukon Hospital Corporation
Consolidated Statement of Financial Position

As at March 31

	2009	(Restated - note 3) 2008
	$	$
ASSETS	(thousands of dollars)	
Current assets		
Cash & cash equivalents	**6,050**	4,969
Accounts receivable	**1,966**	1,701
Inventory (note 5)	**1,426**	1,397
Prepaid expenses	**258**	275
	9,700	8,342
Non-current assets		
Restricted funds (note 6)	**197**	690
Accrued pension benefit (note 13)	**4,763**	3,051
Capital assets (note 7)	**43,645**	42,939
	58,305	55,022
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**2,854**	1,878
Accrued payroll and benefits	**2,459**	2,252
Deferred revenue	**132**	71
	5,445	4,201
Long-term liabilities		
Employee future benefits other than pensions (note 8)	**1,631**	1,416
Deferred capital contributions (note 9)	**40,185**	39,671
Long-term debt (notes 10 & 11)	**278**	351
	42,094	41,438
	47,539	45,639
Net Assets		
Invested in capital assets (note 12)	**2,553**	2,421
Contributed surplus (note 4)	**1,393**	1,393
Restricted - First Nations Health Fund (note 15)	**2,400**	2,548
Restricted for capital purchases, external (note 6)	**197**	690
Restricted for capital purchases, internal	**103**	562
Unrestricted	**4,120**	1,769
	10,766	9,383
	58,305	55,022

Contingent liabilities and commitments (note 18)

The accompanying notes are an integral part of the financial statements

On behalf of the Board

Chairman

Director

Yukon Hospital Corporation
Consolidated Statement of Operations
For the year ended March 31

	2009 $	(Restated - note 3) 2008 $
	(thousands of dollars)	
Revenues		
Government of Yukon - basic (note 14)	**32,792**	29,717
Government of Yukon - other (note 14)	**2,835**	1,773
Amortization of deferred capital contributions (note 9)	**2,421**	2,446
Patients	**2,395**	2,501
Government of Yukon - services without charge (note 14)	**1,034**	1,000
Fundraising	**635**	559
Interest	**544**	712
Cafeteria	**248**	206
Other	**233**	332
	43,137	39,246
Expenses		
Compensation and benefits	**21,538**	20,289
Supplies	**5,978**	5,820
Amortization of capital assets	**3,193**	2,956
Other (note 16)	**2,514**	2,094
Contracted services	**2,464**	2,079
Pension (note 13)	**2,167**	1,746
Equipment and building services	**1,479**	1,398
Equipment and building services - without charge (note 14)	**1,034**	1,000
Fundraising	**155**	157
	40,522	37,539
Surplus of revenues over expenses	**2,615**	1,707

The accompanying notes are an integral part of the financial statements

Yukon Hospital Corporation

Consolidated Statement of Changes in Net Assets

For the year ended March 31

	Invested in Capital Assets (note 12)	Contributed Surplus	Restricted For First Nations Health Fund (note 15)	Restricted For Capital Purchases External (note 6)	Restricted For Capital Purchases Internal	Unrestricted	2009 Total	2008 Total (Restated - note 3)
	$	$	$	$	$	$	$	$
				(thousands of dollars)				
Balance, beginning of year	2,421	1,393	2,548	690	562	1,769	9,383	7,092
Prior period adjustments (note 3)								506
Balance, beginning of year, restated	2,421	1,393	2,548	690	562	1,769	9,383	7,598
Surplus (deficiency) of revenue over expenses	(832)		(148)		(459)	4,054	2,615	1,707
Net change in invested in capital assets (note 12)	964					(964)		
Contributions				141		(4)	137	136
Purchases of Capital Assets				(634)		(735)	(1,369)	(58)
Balance, end of year	2,553	1,393	2,400	197	103	4,120	10,766	9,383

The accompanying notes are an integral part of the financial statements

Yukon Hospital Corporation
Consolidated Statement of Cash Flows
For the year ended March 31

	2009 $	2008 $
	(thousands of dollars)	
Cash flows provided by operating activities:		
Receipts from and on behalf of patients	$38,739	$35,224
Payments to and on behalf of employees	(24,995)	(22,511)
Payments to suppliers and contractors	(11,699)	(11,070)
Cash flows from operating activities	2,045	1,643
Cash flows used in investing activities		
Purchase of capital assets	(3,899)	(816)
Cash flows used in investing activities	(3,899)	(816)
Cash provided by financing activities		
Cash received for capital purchases	2,935	322
Cash flows from financing activities	2,935	322
Net increase in cash	1,081	1,149
Cash & cash equivalents, beginning of the year	4,969	3,820
Cash & cash equivalents, end of the year	$6,050	$4,969
Represented by		
Cash	$2,803	$1,299
Cash and cash equivalents - First Nations Health Progran	2,439	2,690
Cash and cash equivalents - Yukon Hospital Foundation	808	980
	$6,050	$4,969

The accompanying notes are an integral part of the financial statements

1 - PURPOSE

a) Yukon Hospital Corporation ("The Corporation") is a charitable organization established under the Hospital Act of the Yukon. The objectives of the Corporation are to provide hospital and medical services to meet the needs of people in the Yukon. The Corporation is a registered charity and accordingly is exempt from income taxes, provided certain requirements of the Federal *Income Tax Act* are met.

b) The Yukon Hospital Foundation ("The Foundation") is a society incorporated under the *Societies Act* of the Yukon. The purpose of the society is to promote health of people in the Yukon, to raise money for hospital and medical care and services, supervised residential care and continuing care, and rehabilitative care and services. The Foundation also grants funds and provides equipment, services and facilities to health facilities in the Yukon, and in particular to the Yukon Hospital Corporation.

2 - NEW ACCOUNTING STANDARDS

Section 3031, Inventories

Effective April 1, 2008, the Corporation adopted the new CICA handbook section 3031, Inventories, which is based on International Accounting Standards ("IAS") 2. The new section replaces the existing Section 3030, Inventories. Under the new section, inventories of supplies are required to be measured at the lower of cost and current replacement cost. The Standard also provides more extensive guidance on the measurement and disclosure requirements for inventories, significantly, the new standard allows the reversals of previous writedowns to the net realizable value when there is a subsequent increase in the value of inventories. The adoption of this new standard resulted in no impact to opening balances at April 1, 2008.

Section 1535, Capital Disclosures

Effective April 1, 2008 the Corporation adopted the new CICA handbook section 1535, "Capital Disclosures". The standard requires the disclosure of information about the Corporation's objectives, policies and processes for managing its capital, quantitative data about what the Corporation regards as capital and whether the Corporation has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. The new section was applied prospectively. The additional disclosures required as a result of adopting this standard are included in Note 17.

Section 1400, General Standards of Financial Statement Presentation

Effective April 1, 2008, the Corporation adopted the new CICA Handbook Section 1400, General Standards of Financial Statement Presentation, which includes requirements for management to assess and disclose an entity's ability to continue as a going concern. Management has made its assessment and concluded there is no issue regarding the Corporation's ability to continue as a going concern based on the assumption that the current funding levels are maintained and any committed additional future funding is received. If there are significant declines in funding, expenditures will be adjusted to match committed funding.

Section 3862 & 3863, Financial Instruments - Disclosure and Financial Instruments - Presentation

On December 1, 2006, the CICA issued new accounting standards CICA Section 3862 Financial Instruments - Disclosures, and Section 3863 Financial Instruments - Presentation. These standards apply to fiscal years beginning on or after October 1, 2007. The Corporation has elected to continue to apply Section 3861, as permitted for not-for-profit organizations under Sections 3862 and 3863.

3 - CORRECTION OF ERROR

Prior Period Adjustment - Buildings

During the fiscal year 2008-09, the Corporation confirmed that the buildings on the Whitehorse General Hospital campus are legally owned by the Corporation. The titles of the lots where these buildings are situated were transferred from the Government of Yukon to the Corporation between 1993 and 1994, but the Government of Yukon had not officially acknowledged the transfer of the buildings. Consequently, while ownership and value of the land had been reported in the financial statements of the Corporation, the Government of Yukon had been reporting the value of all the buildings on the land.

The Corporation has adjusted its accounting records in accordance with Canadian generally accepted accounting principles, which resulted in recognizing the buildings in its accounts. These adjustments were applied retroactively. The effects of the retroactive adjustments on the 2007/2008 financial statements were increases to tangible capital assets and deferred capital contributions of $37,501,000, increases to amortization of deferred capital contributions revenue and amortization of capital assets expense of $1,365,000, as well as decreases to Government of Yukon - services without charge revenue and equipment and building services - without charge expense of $650,000.

Operating Room Inventory

After the 2009 fiscal year end it was determined that a material amount of inventory was on hand in the Corporation's Operating Room (OR) area. In the past this inventory was expensed at the time it was provided to operating room staff from central stores. The Corporation completed an inventory of the OR supplies as at May 22, 2009. The Corporation is able to track supplies into inventory but not supplies used from inventory. Therefore the Corporation is not able to accurately value the inventory back to March 31, 2009. It is the view of management that the inventory value as at the count date of May 22, 2009 of $506,000 is not materially different from the inventory on hand at March 31, 2009 and this value was used as being the OR inventory as at March 31, 2009. It is also the view of management that the OR inventory value as at March 31, 2007 and March 31, 2008 was not materially different from the value on hand as at May 22, 2009.

The Corporation has adjusted its accounting records in accordance with Canadian generally accepted accounting principles, which resulted in recognizing OR inventory on the balance sheet. These adjustments were applied retroactively. The effects of the retroactive adjustments to the opening 2008 financial statements were increases to Inventory and Unrestricted Net Assets of $506,000.

4 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Financial statements

The consolidated financial statements include the accounts of Yukon Hospital Corporation and Yukon Hospital Foundation. All significant inter-company transactions and balances have been eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents also includes amounts for the First Nation Health Program. Cash equivalents are recorded at cost, which approximates fair value, and consists of investments in bankers acceptances with maturities of three months or less from the date of acquisition.

Inventory

Inventories are comprised of pharmacy, medical and general operating supplies and are valued at the lower of cost and replacement cost. Inventories are determined on a first-in, first-out basis.

Capital assets

Capital assets are recorded at cost except for contributed capital asset which are recorded at fair market value at the date of contribution. Amortization is calculated by the straight line method over the assets' expected useful lives (see note 7)

Estimated useful life	Years
Medical equipment	6-7
Information systems	5
Buildings	10-40
Building improvements	20
Equipment	10
Yukon Hospital Foundation Property & Equipment	5
First Nations Health program Property & Equipment	10

4 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from other provinces and uninsured patients, operational revenue and ancillary services are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue for funded programs is recognized in the period expenses are incurred.

Interest income is recorded on an accrual basis and is recognized as revenue when earned.

Restricted contributions, including interest earned, are recognized as direct increases in Restricted for Capital Purchases - External - Net Assets.

Donated services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, these donated services are not recognized in the financial statements.

Financial instruments

All financial instruments reported on the Statement of Financial Position of the Corporation are classified as follows:

Classification
Cash & cash equivalents - Held for trading

Accounts receivable, Due from Government of Yukon and Due from First Nations Health program - Loans and receivables

Accounts payable and accrued liabilities, accrued payroll and benefits - Other liabilities

Long-term debt - Other liabilities

Held-for-trading
These financial instruments are measured at fair value at the Statement of Financial Position date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in interest income.

Loans and receivables
These financial assets are initially measured at fair value and thereafter are measured at amortized cost using the effective interest method, less any impairment.

Other liabilities
These financial liabilities are recorded at amortized cost using the effective interest rate method.

Pensions

Eligible employees of the Corporation participate in the Yukon Hospital Corporation Employees' Pension Plan, a defined benefit plan administered by the Corporation's Board of Trustees. Contributions to the plan are required from both the employees and the Corporation. Contributions to the plan made during the year by the Corporation on behalf of its employees are included in the statement of operations.

Pensions are based on length of service and final average earnings. Cost of living increases are provided annually to pensioners, as well as upon retirement for deferred pensioners. The expected return on plan assets is based on the fair value of plan assets at the beginning of each fiscal year. Cumulative unrecognized gains and losses in excess of 10% of the greater of the accrued benefit obligation and the market value of plan assets are amortized on a straight-line basis over the expected average remaining service period ("EARSL") of active employees expected to receive benefits under the plan. Past service costs arising from retroactive benefit improvements are amortized on a straight-line basis over the EARSL of active members expected to receive benefits under the plan. Further details with respect to the pension are contained in note 13.

4 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee future benefits other than pensions

Employees are entitled to specified severances and sick leave benefits as provided for under union contracts and conditions of employment. The liability for these payments is estimated and recorded in the accounts as the benefits accrue to the employees. Management determines the accrued benefit obligation based on assumptions that the following percentages of employees will not stay with the Corporation until retirement.

Age 18-25	100%
Age 26-35	75%
Age 36-45	60%
Age 46-55	20%
Age 55+	0%

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the useful lives of capital assets, determination of the defined benefit pension plan surplus and the liabilities for accrued severance, retirements and sick leave benefits. Financial results as determined by actual events could differ significantly from these estimates.

Contributed Surplus

Certain assets including land were transferred from the Government of Canada and the Government of Yukon to the control of the Yukon Hospital Corporation on April 1, 1993 and January 19, 1994.

Future Accounting Changes

Section 1540, Cash Flow Statements

Section 1540 was amended to include not-for-profit organizations within its scope. This standard is effective for the Corporation's fiscal year beginning on April 1, 2009. The Corporation does not expect that this new standard will impact its financial reporting significantly.

Section 4400, Financial Statement Presentation by Not-for-Profit Organizations

Section 4400 has been amended to:

a) eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets; and

b) require that revenues and expenses be recognized and presented on a gross basis when a not-for-profit organization is acting as a principal in transactions.

This standard is effective for the Corporation's fiscal year beginning on April 1, 2009. The Corporation does not expect that this new standard will impact its financial reporting significantly.

Section 4460, Disclosure of Related Party Transactions by Not-for-Profit Organizations

Section 4460 has been amended to be consistent with the related party accounting rules for private and public enterprises. This standard is effective for the Corporation's fiscal year beginning on April 1, 2009. The Corporation does not expect that this new standard will impact its financial reporting significantly.

Section 4470, Disclosure of Allocated Expenses by Not-for-Profit Organizations

Section 4470 establishes disclosure standards for not-for-profit organizations that choose to classify their expenses by function and allocate expenses from one function to another. This standard is effective for the Corporation's fiscal year beginning on April 1, 2009. The Corporation does not expect that this new standard will impact its financial reporting significantly.

5 - INVENTORY

	2009	2008
Inventory	$	$
• Pharmacy	472	446
• Material Management	447	444
• Operating Room Inventory	507	507
Total Inventory	1,426	1,397

6 - RESTRICTED FOR CAPITAL PURCHASES - EXTERNAL

The Corporation has control over restricted funds which have been donated for specific capital purchases. These funds are set up on the balance sheet as an asset with an offsetting entry to Net Assets Restricted for Capital purchases.

	2009	2008
	$	$
	(thousands of dollars)	
Balance, Beginning of year	690	603
Contributions during the year	141	148
Purchases during the year	(634)	(61)
Balance, End of year	197	690

7 - CAPITAL ASSETS

			2009	2008
	Cost	Accumulated amortization	Net	Net
	$	$	$	$
		(thousands of dollars)		
Medical equipment	7,163	4,283	2,880	2,178
Information systems	4,827	3,198	1,629	743
Buildings	52,866	16,730	36,136	37,501
Building improvements	1,944	794	1,150	918
Equipment	1,609	784	825	567
Land				
transferred	1,009	-	1,009	1,009
Yukon Hospital Foundation Property & Equipment	28	17	11	16
First Nations Health program Property & Equipment	36	31	5	7
	69,482	25,837	43,645	42,939

8 - EMPLOYEE FUTURE BENEFITS OTHER THAN PENSIONS

The Corporation provides severances and sick leave benefits to its employees. The amounts are based on management estimates and are not actuarially determined or discounted. Management believes that there would not be a significant difference if it were actuarially determined. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future sources of revenue.

	2009	2008
	$	$
	(thousands of dollars)	
Accrued benefit obligation		
Beginning of year	1,566	1,550
Cost for the year	268	150
Benefits paid during the year	(53)	(134)
Accrued benefit obligation end of year	1,781	1,566
Short-term portion	150	150
Long-term portion	1,631	1,416

A large portion of the accrued payroll benefits relating to severance, retirement and sick leave have been classified as a long term liability in the accompanying financial statements as the probability of pay out within the next fiscal year is considered low.

9 - DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent restricted contributions received to purchase capital assets. The changes in the deferred contributions balance for the year are as follows:

	2009	2008
	$	$
	(thousands of dollars)	
Balance, Beginning of year	39,671	41,795
Restricted government contribution	1,639	300
Restricted capital contributions (non-government)	1,296	22
Amount amortized to revenue	(2,421)	(2,446)
Balance, End of year	40,185	39,671

10 - LONG-TERM DEBT

	2009	2008
	$	$
Yukon Development Corporation	278	351

$596,000 flexible term note bearing interest at 7.5% repayable in annual instalments, based on annual energy savings realized, secured by a general security agreement on building improvements with a net book value of $417,000. (2008 - $447,000)

In 2003, Yukon Development Corporation financed an electric boiler system for the Corporation for a total cost of $596,000. The long-term debt repayment portion is 50% of the savings total. An initial payment on principal of $200,000 was made by Yukon Hospital Corporation in 2004.

The savings realized to date are as follows:

	$
	(thousands of dollars)
2004	78
2005	109
2006	112
2007	191
2008	145
	635

Yukon Development Corporation is related to the Corporation as they are both under common control by the Government of Yukon. This transaction took place under normal trade terms.

11 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Corporation's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accrued payroll and benefits and long-term debt. The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accrued payroll and benefits approximate their fair values due to the short-term nature of these financial assets and liabilities.

The fair value of long-term debt is based on management estimates and is determined by discounting cash flows required at the interest rate currently estimated to be available for loans with similar terms.

The carrying amount and estimated fair value of the long-term debt financial instruments are as follows:

	2009		2008	
	(thousands of dollars)			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$	$	$	$
Long-term debt	278	374	351	412
	278	374	351	412

Risk Management

The Corporation, through its financial assets and liabilities, is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, interest rate risk, and currency risk. The Corporation manages these risk exposures on an ongoing basis. The Corporation is not party to any derivative financial instruments.

Credit Risk

Credit risk on financial instruments arises from the possibility that the issuer of a financial instrument fails to meet its obligation. The carrying amount of cash and accounts receivable represents the maximum credit exposure.

The Corporations accounts receivable has a carrying value of $1,966,000 as of March 31, 2009 (2008 - $1,701,000). There is no concentration of accounts receivable with any one customer. As at March 31, 2009, approximately 12% (2008 - 19%) of accounts receivable were over 90 days past due, whereas 72% (2008 - 69%) were current or less than 30 days past due. The Corporation's allowance for doubtful accounts is $280,000 as at March 31, 2009 (2008 - $268,000).

The risk on cash and cash equivalents is minimized as these assets are held with a Canadian Chartered bank.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balance and cash flows generated from operations to meet its requirements.

The carrying amount of accounts payable and accrued liabilities represents the maximum exposure to liquidity risk. The Corporation's accounts payable and accrued liabilities had a carrying value of $2,853,000 as at March 31, 2009 (2008 - $1,878,000). As at March 31, 2009, 100% of accounts payable (2008 - 100%) were current, or less than 30 days past due.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Long term debt has interest rates fixed for long periods of time with the debt intended to be repaid in accordance with corresponding energy savings.

Currency Risk

Currency risk is the risk that the value or financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates. The Corporation has $4,000 of funds in a US bank account in 2009 (2008 - $13,000). The Corporation is not exposed to any significant currency risk.

12 - INVESTED IN DEPRECIABLE CAPITAL ASSETS

(a) Net assets invested in depreciable capital assets is calculated as follows:

	2009 $	2008 $
	(thousands of dollars)	
Capital assets (note 7) less land in Net assets	**42,636**	41,930
Amounts financed by deferred capital contributions	**(40,083)**	(39,509)
	2,553	2,421

Change in net assets invested in capital assets is calculated as follows:

(b) Deficiency of revenue over expenses

	2009	2008
Amortization of deferred capital contributions	**2,361**	2,269
Amortization of capital assets	**(3,193)**	(2,956)
	(832)	(687)

(c) Net change in invested capital assets

	2009	2008
Purchase of capital assets	**3,899**	816
Amounts funded by deferred capital contributions	**(2,935)**	(322)
	964	494

13 - PENSION COSTS AND OBLIGATIONS

Yukon Hospital Corporation sponsors a contributory defined benefit pension plan. The Corporation contributes amounts as prescribed by an independent actuary. Members are required to contribute to the plan 5.5% of annualized earnings up to the Year's Maximum Pensionable Earnings ("YMPE") plus 7.5% of annualized earnings in excess of YMPE for the Plan year.

A separate pension fund is maintained to hold plan assets. Yukon Hospital Corporation has contracted with external organizations to provide trustee and investment management services for the fund. Pension fund assets are invested in balanced pooled funds of the investment manager. The market value of plan assets was $34,205,000 as at December 31, 2008.

An actuarial valuation for accounting purposes was performed as of December 31, 2008 by Towers Perrin, using the projected benefits method prorated on services. The actuarial valuation included services rendered by members under the Yukon Hospital Corporation Employees' Pension Plan since the inception of the plan in 1993, as well as service credits in respect of pre-1993 service transferred to the Yukon Hospital Corporation Employees' Pension Plan from the Public Service Pension Plan under the Special Reciprocal Transfer Agreement dated June of 1995. The next actuarial valuation for accounting purpose will be performed as of December 31, 2009.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimate of these future events. Key assumptions are summarized below:

13 - PENSION COSTS AND OBLIGATIONS (continued)

Weighted-Average Assumptions for Net Period Pension Cost for Fiscal Year	**2009**	**2008**
• Discount rate	5.00%	5.25%
• Expected long-term rate of return on plan assets	7.00%	7.00%
• Rate of compensation increase (exclusive of seniority, merit and promotion increases)	3.00%	3.00%

Weighted-Average Assumptions for Benefit Obligation at Year Ending December 31	**2009**	**2008**
• Discount rate	6.50%	5.00%
• Rate of compensation increase (exclusive of seniority, merit and promotion increase)	3.00%	3.00%

As at December 31, 2008, pension fund assets are valued at market value. No adjustment is made for benefits payable or contributions receivable.

	2009 **$**	2008 **$**
	(thousands of dollars)	
Change in accrued benefit obligation		
• Accrued benefit obligation - end of prior year	44,112	38,780
• Employer current service cost	2,212	2,008
• Interest cost on benefit obligation	2,287	2,125
• Employee contributions	840	798
• Benefits paid	(2,020)	(1,439)
• Actuarial (gains) losses	(9,982)	1,840
• Accrued benefit obligation - end of year	37,449	44,112
Change in Plan Assets		
• Fair value of plan assets - end of prior year	39,396	37,116
• Actual return on plan assets	(7,039)	(110)
• Employer contributions	3,235	3,254
• Employee contributions	840	798
• Benefits paid	(2,020)	(1,439)
• Actual plan expenses	(207)	(223)
• Fair value of plan assets - end of year	34,205	39,396
Market value of plan assets - end of year	34,205	39,396
Reconciliation of Funded Status		
• Accrued benefit obligation - end of year	37,449	44,112
• Fair value of plan assets	34,205	39,396
• Funding deficit	(3,244)	(4,716)
• Employer contributions made between measurement date and fiscal year end	1,503	859
• Unamortized past service costs	591	748
• Unamortized actuarial losses	5,913	6,160
Accrued benefit asset	4,763	3,051
Components of Net Periodic Pension Cost		
• Current service cost (employer portion) including provision for administrative expenses	2,351	2,149
• Interest cost on benefit obligation	2,287	2,125
• Actual return on plan assets	7,039	110
• Actuarial (gains) losses on accrued benefit obligation	(9,982)	1,840
Cost arising in the period	1,695	6,224
Differences between costs arising in the period and costs recognized in the period in respect of		
• Return on plan assets	(9,864)	(2,795)
• Actuarial (gains) losses	10,179	(1,840)
• Past service costs	157	157
Net periodic pension cost recognized	2,167	1,746

Plan Assets By Asset Category	**Dec 31, 2008**	Dec 31, 2007
• Equity securities	61%	61.0%
• Debt securities	35%	36.0%
• Other	4%	3.0%
Total	100%	100%

13 - PENSION COSTS AND OBLIGATIONS (continued)

The Yukon Hospital Corporation adopted a measurement date of December 31 in respect of its pension obligations. Consequently, both benefit obligations and plan assets are measured as of December 31 for presentation in the financial statements as of March 31.

The accrued benefit assets of $4,763,000 (2008 - $3,051,000) has been recorded on the Corporation's books of account and is included on the balance sheet as at March 31, 2009.

The funded status of the pension plan (a deficit of $3,244,000 as at December 31, 2008) presented in these financial statements has been determined on the basis that the pension plan remains a going concern.

As at December 31, 2008 the pension plan had a deficit of $6.5 million if valued on the basis that the pension plan were terminated/wound up as at December 31, 2008. The solvency ratio of the plan is 86%. Since it is less than 100%, to be in accordance with the *Pension Benefits Standards Act, 1985*, the Corporation is required to make special payments to eliminate the solvency shortfall. The payments have been actuarially determined as follows: quarterly payments of $143,000 per year over five years starting in 2005, quarterly payments of $181,400 per year over five years starting in 2006, quarterly payments of $137,184 per year over five years starting in 2008 and an additional quarterly solvency payment of $24,160 beginning in 2009. During the fiscal year, the Corporation contributed $3,879,000 to the plan, of which $1,871,582 related to solvency deficiency payments for 2008. Also during the fiscal year, the Corporation received $2,336,650 from the Government of Yukon to fund its pension plan.

The projected amount the Corporation will need to pay for its solvency deficiency is summarized as follows:

	(thousands of dollars) $
2009	1,943
2010	1,400
2011	674
2012	645
2013	97
	4,759

These amount are subject to re-evaluation after each actuarial valuation.

14 - RELATED PARTY TRANSACTIONS

	2009 $	2008 $
	(thousands of dollars)	
Government of Yukon Contribution		
• Basic Services	**32,129**	29,054
• First Nations Health program (note 15)	**663**	663
Total Basic Funding	**32,792**	29,717
• Other	**2,835**	1,773
• Yukon Hospital Foundation (included in fundraising revenue)	**75**	75
Total Government of Yukon Contribution	**35,702**	31,565

Revenue received from the Government of Yukon for services was $ 35,702,000 for 2009 (2008 - $31,565,000). The 2009 contribution includes $75,000 (2008 - $75,000) flow through funding given to Yukon Hospital Foundation. The other funding includes $ 2,337,000 (2008 - $1,052,000) for the pension solvency deficiency payments.

Services Without Charge

The value of services provided without charge by the Government of Yukon is estimated to be $1,034,000 (2008 - $1,000,000). This amount consists of operating and maintenance expenses of $359,000 (2008 - $359,000) and property taxes of $675,000 (2008 - $641,000) for facilities owned by the Corporation but used by the Government. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14 - RELATED PARTY TRANSACTIONS (continued)

Other services are provided to related parties at no charge based on the agreement outlined in Appendix H of the 1994 Whitehorse General Hospital Transfer Agreement between the Corporation, the Government of Yukon and the Government of Canada. Appendix H outlines Whitehorse General Hospitals obligation to provide residual services to Yukon communities. The total cost of providing these services for 2009 was $163,000 (2008 - $149,000).

In compliance with the Appendix H agreement, the Corporation provides goods in the amount of $883,000 (2008 - $792,000) to related parties which includes a 15% administration charge on Material Management supplies purchased in excess of $80,000. The Corporation recovers only the cost of goods of $842,000 (2008 - $757,000). As this is a cost recovery arrangement, the revenues and cost of sales have been netted in Revenues - Other in the Consolidated Statement of Operations.

15 - FIRST NATIONS HEALTH PROGRAM

The following amounts pertain to the First Nations Health Program and have been included in the Consolidated Statement of Operations.

	2009 $	2008 $
	(thousands of dollars)	
Revenues		
Government of Yukon - Transfer agreement (note 14)	663	663
Interest	69	111
	732	774
Expenses		
Payroll	706	641
Travel	62	22
Scholarships	31	29
Contribution - Council of Yukon First Nations Health Commission	30	30
Sundry	21	24
Material & Supplies	16	8
Honoraria	12	9
Depreciation	2	39
	880	802
Net Surplus	2,400	2,548

Under an annual contribution agreement, the Government of Yukon provides funds to the Corporation for the purpose of operating the First Nation Health Program at the Whitehorse General Hospital. The First Nations Health Program includes a health liaison worker program, child life worker for the paediatric ward, traditional medicine, traditional diet, employment equity and training program, interpretation services and in-service training.

16 - OTHER EXPENSE

The balance in Other expense is made up of the following items:

	2009 $	2008 $
	(thousands of dollars)	
Legal and professional fees	403	269
Conference fees/Travel	363	288
Delivery/Courier/Taxi	276	221
Software maintenance	235	178
Security	198	138
Miscellaneous	189	78
Insurance	184	138
Communications	140	58
Recruitment and relocation	136	221
Bad debt	130	142
Honorariums	85	57
Membership fees	52	46
Advertising	39	43
Scholarships FNH	31	29
CYFN Health Commission contribution - FNH	30	30
Watson Lake Project	23	-
Diabetes Grant	-	158
	2,514	2,094

17 - CAPITAL MANAGEMENT

The Corporation considers its capital to be its Net Assets - 'Restricted for capital purchases, external', 'Restricted for capital purchases, internal' and 'unrestricted'. The Corporation's objectives are to comply with externally imposed restrictions and mange its capital as a by-product of managing revenues, expenses, assets and liabilities. The Corporation is subject to financial management and accountability provisions of the *Hospital Act* which imposes restrictions in relation to borrowings and acquisitions of investments.

18 - CONTINGENT LIABILITIES AND COMMITMENTS

The nature of the Corporation's activities is such that there may be litigation pending or in prospect at any time. No provision has been made for loss in these financial statements, as in management's opinion, there are no active claims which could have a material adverse effect on its financial position or result of operations.

The Corporation has contractual commitments whereby the minimum required payments for the next five years are as follows:

	$ (thousands of dollars)
2009	430
2010	534
2011	459
2012	391
2013	125
	1,939

19- TRUST ASSETS

	2009 $	2008 $
	(thousands of dollars)	
Deferred salary leave plan funds held in trusts	55	109

The Corporation administers trust accounts on behalf of employees in regards to its deferred salary leave plan. The deferred salary leave plan funds held in trusts are not included in the accompanying financial statements.

20 - ECONOMIC DEPENDENCE

The Corporation receives approximately 90% of its income and additional funding for its pension from the Government of Yukon.

21 - SUBSEQUENT EVENTS

On April 1, 2009 the Corporation entered into a long term lease agreement with the Government of Yukon relating to #2 Hospital Road, #4 Hospital Road and the Ambulance Station.

The Corporation has signed a one year letter of Intent with the Government of Yukon to determine the feasibility of transferring Watson Lake Hospital to the Yukon Hospital Corporation. The term of this agreement is March 1, 2009 to March 31, 2010. During this agreement the Government will delegate sufficient management authority to the Corporation, to participate in and take all such actions and execute such documents as may be necessary to participate in the management of the Watson Lake Facility. All employees in the current Watson Lake facility will continue to be employed by the Government of Yukon for the length of this agreement. An estimate of the financial effect of the Watson Lake agreement cannot be made at this time.

In April 2009 the Corporation signed a letter of intent with Government of Yukon to oversee the construction of a new hospital in Dawson City to be operated and managed by Yukon Hospital Corporation. The estimated cost of building this new hospital is $25M to be borrowed by the Corporation from a financial institution.

On June 2, 2009 the Corporation issued a request for proposal for the building of a new nurses residence at #1 Hospital Road. TSL Contractors Ltd has been awarded the contract and construction has begun as of August 2009. This residence is scheduled to be completed in December 2010. The Government of Yukon Minister of Health has approved up to $17M to be borrowed by the Corporation from a financial institution to fund this capital project.

22 - COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current year.

YUKON HOUSING CORPORATION

FINANCIAL STATEMENTS

March 31, 2009

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Yukon Housing Corporation

Management's Responsibility for Financial Reporting

The financial statements contained in this annual report have been prepared by management in accordance with Canadian generally accepted accounting principles for the public sector. The integrity and objectivity of the data in these financial statements are management's responsibility.

In support of its responsibility, management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled and that transactions are in accordance with the *Financial Administration Act* as well as the *Housing Corporation Act* and the by-laws of the Corporation.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibility through the Financial and Risk Management Committee, which meets on a periodic basis with management and the independent external auditor to review the manner in which these groups are performing their responsibilities, and to discuss auditing, internal controls, and other relevant financial matters. The Financial and Risk Management Committee reviews the audited financial statements with the external auditor before making recommendations to the Board of Directors for their approval.

The Corporation's external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and issuing a report which is included with the financial statements. The Auditor General of Canada provides her report to the Minister responsible for the Yukon Housing Corporation.

Ron MacMillan
President

F. Mark Davey, CA
Director, Finance, Systems and Administration

June 30, 2010

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister responsible for the Yukon Housing Corporation

I have audited the statement of financial position of the Yukon Housing Corporation as at March 31, 2009 and the statements of operations and accumulated surplus, change in net debt and cash flow for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and the results of its operations, the change in its net debt and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Housing Corporation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Under sections 23(1) and 23(2) of the *Housing Corporation Act*, the Corporation is required to prepare an annual report after the end of its financial year so the Minister can table a copy of the report at the next ensuing session of the Legislative Assembly. The Corporation did not meet this deadline.

Further, in my opinion, proper books of account have been kept by the Corporation, the financial statements are in agreement therewith and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations, the *Housing Corporation Act* and the by-laws of the Corporation, with the exception that the Corporation did not meet its statutory deadline for preparing its annual report for tabling in the Legislative Assembly as described in the above paragraph.

Andrew Lennox, CGA, CMA
Assistant Auditor General
for the Auditor General of Canada

Vancouver, Canada
June 30, 2010

Yukon Housing Corporation
Statement of Financial Position
as at March 31, 2009

	2009	2008
	(thousands of dollars)	
Financial assets		
Cash and cash equivalents (Note 3)	$ 3,241	$ 3,100
Due from Canada Mortgage and Housing Corporation	365	549
Accounts receivable - other	1,776	1,086
Housing held for sale	982	90
Loans receivable (Note 4)	52,888	41,872
	59,252	46,697
Liabilities		
Bank indebtedness (Note 3)	1,950	-
Accounts payable and accrued liabilities	1,576	1,878
Due to Government of Yukon	4,451	1,072
Deferred revenues	955	991
Deferred revenue - Seniors' Housing Management Fund (Note 5)	3,609	3,059
Long-term debt (Note 6)	48,386	43,316
Post-employment benefits (Note 7)	809	716
Advances - Government of Yukon (Note 9)	10,510	10,123
	72,246	61,155
Net debt	(12,994)	(14,458)
Non-financial assets		
Tangible capital assets (Note 10)	24,548	24,824
Less deferred capital contributions (Note 11)	(11,554)	(10,499)
Prepaid expenses	-	133
	12,994	14,458
Accumulated surplus	$ -	$ -

Contractual obligations and contingencies (Note 15)

The accompanying notes and schedules are an integral part of these financial statements.

Approved by the Board of Directors

Director

R.A. Steers

Director

Yukon Housing Corporation
Statement of Operations and Accumulated Surplus
for the year ended March 31, 2009

	2009 Main Estimates (Note 1(c))	2009 Actual	2008 Actual
	(thousands of dollars)		
Revenues			
Funding from Canada Mortgage and Housing Corporation	$ 4,206	$ 4,566	$ 4,656
Rental income	3,577	4,433	4,168
Interest income	2,311	2,275	2,277
Recovery for Flood Relief program	450	676	412
Recovery of subsidy expense	-	86	284
Amortization of deferred CMHC capital contributions	-	10	-
Other	20	83	41
	10,564	12,129	11,838
Expenses (Note 12)			
Program costs (Schedule A)	10,810	12,789	11,499
Corporate shared services costs (Note 14(a))	1,732	1,676	1,554
Interest on long-term debt	1,742	1,464	1,581
Administration (Schedule A)	1,701	1,307	1,136
Grants to flood victims	500	1,052	469
	16,485	18,288	16,239
Deficit for the year before government funding	$ (5,921)	(6,159)	(4,401)
Government of Yukon funding (Note 2(b))			
Operating grant		4,874	3,117
Amortization of deferred capital contributions		783	782
Rental assistance - in-kind (Note 14(b))		502	502
		6,159	4,401
Surplus for the year		-	-
Accumulated surplus at beginning of year		-	-
Accumulated surplus at end of year		$ -	$ -

The accompanying notes and schedules are an integral part of these financial statements.

Yukon Housing Corporation
Statement of Change in Net Debt
for the year ended March 31, 2009

	2009		2008
	Main Estimates (Note 1(c))	Actual	Actual
		(thousands of dollars)	
Surplus for the year	$ -	$ -	$ -
Effect of change in tangible capital assets			
Acquisitions	(1,287)	(1,943)	(2,529)
Capital contributions received and deferred	1,287	1,943	2,592
Amortization of tangible capital assets	2,015	2,082	2,016
Amortization of deferred capital contributions	-	(793)	(782)
Loss on disposal of tangible capital assets net of reduction to deferred capital contributions	-	4	35
Proceeds on disposal of tangible capital assets	-	-	49
Write-down of tangible capital assets	-	38	-
	2,015	1,331	1,381
Effect of change in other non-financial assets			
Decrease (increase) in prepaid expenses	-	133	(133)
	-	133	(133)
Decrease in net debt	**$ 2,015**	**1,464**	**1,248**
Net debt at beginning of year		(14,458)	(15,706)
Net debt at end of year		**$ (12,994)**	**$ (14,458)**

The accompanying notes and schedules are an integral part of these financial statements.

Yukon Housing Corporation
Statement of Cash Flow
for the year ended March 31, 2009

	2009	2008
	(thousands of dollars)	
Operating transactions		
Surplus for the year	$ -	$ -
Government of Yukon funding	(6,159)	(4,401)
Adjustments for non-cash items		
Building services - in-kind	502	502
Increase in post-employment benefits	93	83
Amortization of tangible capital assets	2,082	2,016
Amortization of CMHC capital funding	(10)	-
Mortgages receivable valuation expenses	39	(209)
Loss on disposal and write-down of tangible capital assets	42	35
	(3,411)	(1,974)
Changes in non-cash components of working capital	2,668	415
Cash used for operating transactions	(743)	(1,559)
Capital transactions		
Acquisition of tangible capital assets	(1,874)	(2,529)
Funding received for the acquisition of tangible capital assets	1,943	2,592
Proceeds on sale of tangible capital assets	-	49
Cash provided by capital transactions	69	112
Investing transactions		
Proceeds on sale of housing held for sale	-	188
Additions to housing held for sale	(961)	-
Additions to mortgages and agreement receivable	(17,505)	(8,911)
Repayments of mortgages and agreements receivable	14,049	15,270
Cash (used for) provided by investing transactions	(4,417)	6,547
Financing transactions		
Increase in bank indebtedness	1,950	-
Repayment of long-term debt	(2,529)	(9,287)
Advances from the Government of Yukon	5,811	3,748
Cash provided by (used for) financing transactions	5,232	(5,539)
Increase (decrease) in cash and cash equivalents	**141**	**(439)**
Cash and cash equivalents at beginning of year	3,100	3,539
Cash and cash equivalents at end of year (Note 3)	**$ 3,241**	**$ 3,100**
Supplemental disclosure of Cash Flow information		
Interest paid	$ 1,488	$ 1,596
Interest received	2,393	2,075

The accompanying notes and schedules are an integral part of these financial statements.

1. Authority and operations

(a) Authority

Yukon Housing Corporation (the Corporation) was established in 1972 by the *Housing Corporation Act* of the Yukon to undertake and assist in the provision, development, maintenance and management of housing. Disbursements for operations and loans are authorized by the Yukon Legislative Assembly through the *Appropriation Acts*. The Corporation is subject to the *Financial Administration Act* of the Yukon.

(b) Mission

The mission of the Corporation is to improve the quality of housing in the Yukon and help Yukoners resolve their housing needs.

In carrying out its mission, the Corporation provides low rental housing at below market rents. Rental income received from housing tenants is less than the associated costs of supplying these rental units. The Corporation also provides loans for the purpose of housing. The Corporation is dependent on the Government of Yukon for funding its operations.

Pursuant to Order-in-Council 1982/343, the Whitehorse Housing Authority (the Authority) was created and designated as an agent of the Corporation. The Authority operates, manages and administers social housing units in the City of Whitehorse on behalf of the Corporation.

Pursuant to Section 45(2) of the *Housing Corporation Act*, the Corporation has established Housing Advisory Boards in the communities of Carcross, Carmacks, Dawson City, Faro, Haines Junction, Mayo, Ross River, Teslin and Watson Lake. Local Housing Advisory Boards are established for the purpose of involving local community members in the decision making process regarding housing in their community. They provide advisory, regulatory and adjudicative services to the Corporation.

(c) Main estimates

The Main Estimates comparative figures are from the Main Estimates approved in the Legislative Assembly in 2008. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Legislative Assembly.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (CICA). Significant accounting policies are as follows:

(a) Reporting entity

The Corporation's financial results include the Whitehorse Housing Authority and the Housing Advisory Boards.

(b) Funding and advances from the Government of Yukon

The *Housing Corporation Act* authorizes the Government of Yukon to make advances and pay the Corporation an operating grant equal to the deficit for the year before government funding less the amortization of deferred capital contributions and in-kind rental assistance. The portion of advances used to purchase depreciable assets is recorded as deferred capital contributions and amortized on the same basis and over the same periods as the tangible capital assets. Advances provided by the Government of Yukon in excess of the operating grant, funding used to purchase tangible capital assets and funding for the Seniors' Housing Management Fund are recorded as a liability of the Corporation (Note 9). The free rental of a social housing building provided by the Government of Yukon to the Corporation is recorded as rental assistance in-kind revenue and offsetting building services in-kind expenses (Note 14).

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

(d) Loans receivable

Mortgages receivable under the Home Ownership Program are fully secured and are recorded at cost.

Mortgages receivable under the Rural and Native Housing Home Ownership Programs are fully secured and are stated at the lower of cost and estimated realizable value. Under the Social Housing Agreement signed with CMHC in 1998, the Corporation may be required to subsidize a debtor's repayment of a Rural and Native Housing Home Ownership mortgage. Rural and Native Housing Home Ownership Program subsidies are expensed when incurred. CMHC funding provided to the Corporation includes an amount for subsidies.

Under the Home Repair Program, the Corporation may subsidize a debtor's repayment. These subsidies, reviewed annually, are based on the debtor's ability to pay. Mortgages receivable under the Home Repair Program are stated at the lower of cost and net realizable value by providing allowances for payment subsidies.

The Corporation subsidizes principal and interest payments due from loan recipients under the legal terms and conditions of Home Repair Program and Rural and Native Housing Home Ownership mortgages, agreements and loans. These subsidies vary in amount depending on the income of the recipients. Each year the Corporation records a provision for Home Repair Program Subsidies based on loans receiving a subsidy at year-end.

Based on historical loss experience, management establishes a valuation allowance for impaired loans. Loans are classified as impaired when the Corporation no longer has reasonable assurance of timely collection of the full amount of principal and interest due. The impaired loan allowance adjusts the loan carrying value to the net realizable amount.

Loans receivable from lots sold to purchasers for residential, commercial and recreational purposes under land sales agreements, are recorded at cost.

(e) Housing held for sale

Housing held for sale includes houses repossessed under the Home Ownership Program and the Rural and Native Housing Home Ownership Program . These houses are recorded at the lower of cost and net realizable value which approximates their fair value at the foreclosure date. Housing held for sale also includes properties acquired for future sale. These properties are recorded at the lower of cost and net realizable value.

(f) Tangible capital assets

Tangible capital assets are valued at cost, net of accumulated amortization. Interest on loans during construction of capital assets is capitalized. Assets under construction are not amortized until available for use.

Funding received to acquire tangible capital assets is recorded as a deferred capital contribution. This deferred capital contribution is amortized as a recovery on the same basis as the related asset.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets.

Social housing projects		35 years
Social housing betterment		15 years
Staff housing projects and other facilities:		
	Standard construction	35 years
	Mobile home units	15 years
Office building		20 years
Other facilities		15 years
Furnishings and equipment		5 years
Computer systems		3 years

(g) Post-employment benefits

Post-employment benefits are expected to be provided to employees of the Corporation after employment but before retirement. These benefits include severance benefits and accumulated sick and vacation leave benefits that are paid in cash when employment is terminated. The Corporation recognizes the obligation for these benefits as a liability and uses an actuary to estimate the amount of the obligation. Expenses related to post-employment benefits are recognized in the period in which the employee's service is rendered and the benefit is earned. The accrued benefit liability for these benefits is calculated as the accrued benefit obligation adjusted by unamortized actuarial gains or losses.

(h) Retirement benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Corporation's contribution to the Plan reflects the full cost as employer. This amount is currently based on a multiple of the employees' required contributions, and may change over time depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Corporation. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

(i) Revenue recognition

Funding provided by Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement is recognized when related expenses are incurred. Funding provided by CMHC under the Affordable Housing Agreement is recognized on a straight-line basis over the life of the related home repair loan agreements. This funding is based on the difference between market rate and the rate given by the Corporation to clients.

Funding provided to purchase tangible capital assets is recognized as revenue on the same basis as the related assets are amortized.

Interest income on mortgages is recorded on an accrual basis. When a mortgage becomes impaired, recognition of interest ceases; thereafter, interest income for impaired loans is recognized on a cash basis.

Income from rentals is recorded on an accrual basis.

Recoveries from the Government of Canada for the Flood Relief program are recognized in the year in which the related expenses are incurred. Any adjustments upon finalization are reflected in the accounts in the year they are identified.

(j) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and contingencies. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant; although, at the time of preparation of these statements, the Corporation believes the estimates and assumptions to be reasonable.

Management estimates are used for the valuation of loans receivable, allowances for Home Repair Program subsidies, accounts receivable - other, amortization, post-employment benefits and contingencies.

3. Cash and cash equivalents and bank indebtedness

	2009	2008
	(thousands of dollars)	
Cash and cash equivalents		
Short-term investments	$ 3,229	$ 2,739
Bank balances	9	358
Cash on hand	3	3
	$ 3,241	$ 3,100
Bank indebtedness		
Bank balances	$ 300	$ -
Overdraft line of credit	1,650	-
	$ 1,950	$ -

The Corporation has an overdraft line of credit with its banker of up to $11,000,000 at bank prime. At year-end, the bank prime rate was 2.50% (2008 - 5.25%). The overdraft line of credit is guaranteed by the Government of Yukon.

The Corporation holds a designated asset for the Seniors' Housing Management Fund (Note 5). The short-term investments of $3,229,000 (2008 - $2,739,000) represent a designated investment held for this Fund.

4. Loans receivable

	Stated % interest rates	2009	2008
		(thousands of dollars)	
Mortgages receivable			
Home Ownership Loans with terms up to five years, secured by registered charges against real property, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest and with maturities up to 2014. Rural and Native Home Ownership mortgages receiving subsidies (Note 2(d)) at March 31, 2009 were $648,000 (2008 - $871,000).	3.19 - 7.00	$ 28,165	$ 24,091
Owner Build Loans are advanced during the construction phase of a home for a maximum period of two years. During the first six months of the construction period, loans are provided at the interest rate of 0%, with gradual increases, reaching to a market rate in the last six months. Repayment terms are up to five years, secured by registered charges against real property with maturities up to 2013.	2.00 - 7.25	3,611	1,544
Repair and Upgrade Loans with terms up to twelve years, secured by registered charges against real property or chattel mortgages, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest with maturities up to 2021. Mortgages receiving subsidies (Note 2(d)) and forgiveness at March 31, 2009 were $595,000 (2008 - $910,000).	0.00 - 7.00	8,947	7,199

	Stated % interest rates	2009	2008
		(thousands of dollars)	
Energy Management	0.00 - 1.50	130	15
Loans with terms up to ten years, secured by registered charges against real property or chattel mortgages, repayable in blended monthly payments at fixed rates of interest with maturities up to 2019.			
Housing Industry Loans	0.00 - 7.15	3,720	1,403
Loans with terms up to 20 years, secured by registered charges against real property or general security agreements, repayable in blended bi-weekly and monthly payments at fixed rates of interest with maturities up to 2024. The balance includes Joint Venture loans of $2,808,000 (2008 - $809,000).			
Subtotal mortgages receivable		44,573	34,252
Less: allowance for Home Repair Program subsidies		(524)	(723)
Less: valuation allowance		(309)	(190)
The valuation allowance of $309,000 (2008 - $ 190,000) relates primarily to the Home Ownership Program and Housing Industry Loans. The net charge to income in 2009 was $124,000 (2008 - $ 75,000).			
Net mortgages receivable		43,740	33,339
Land sales agreements receivable	4.25 - 7.25	9,148	8,533
Loans on residential, commercial and recreational lots, secured by retention of the land title certificate, repayable in blended annual payments at fixed rates of interest with maturities up to 2014.			
Total loans receivable		$ 52,888	$ 41,872

These loans receivable earn interest at the following weighted average rates:

	2009	2008
Mortgages receivable	4.72%	4.63%
Land sales agreements receivable	5.95%	6.90%

5. Seniors' Housing Management Fund

The Seniors' Housing Management Fund was established under Section 9 of the *Housing Corporation Act* to provide for the future housing needs of Yukon's seniors. The Government of Yukon approved the establishment of the Fund in October 2000.

The Fund receives Government of Yukon funding through an annual appropriation and an appropriation equal to interest revenue generated by the Corporation's Green Mortgage Program and interest revenue earned on monies held for the Fund (Note 3). As at the year-end, the Corporation had not yet secured Government of Yukon approval on the parameters for the operation of the fund; therefore, there have been no payments made out of the Fund. In May 2009, the Government directed the Corporation to utilize the balance of the Fund towards projects under the economic stimulus portion of the Affordable Housing Initiative. The Corporation expects to spend the balance of the Fund on seniors housing projects.

Changes in the Seniors' Housing Management Fund are as follows:

	2009	2008
	(thousands of dollars)	
Balance at beginning of year	$ 3,059	$ 2,530
Government of Yukon annual appropriation	100	100
Government of Yukon appropriation equal to interest revenue earned on Green Mortgage Program	377	314
Interest revenue earned on monies designated for the Fund	73	115
Balance at end of year	$ 3,609	$ 3,059

6. Long-term debt

	Stated % interest rates	2009	2008
		(thousands of dollars)	
Mortgages payable (guaranteed by the Government of Yukon) Loans with a variety of terms, secured by fixed charges against housing projects, repayable in blended monthly payments at fixed rates of interest and with maturities up to 2029.	4.32 - 12.50	$ 14,598	$ 15,680
CMHC loans (guaranteed by the Government of Yukon) Loans repayable in blended annual payments at fixed rates of interest to maturity and with maturities up to 2028.	5.00 - 13.25	3,229	3,504
Loans payable - Government of Yukon Repayable without interest in periodic installments to 2027. The balance includes a loan of $733,000 (2008 - $886,000) secured by the Corporation's head office building.	0.00	14,671	15,289
Land sales agreements due to Government of Yukon Repayable without interest in periodic installments to 2014.	0.00	15,888	8,843
Total long-term debt		$ 48,386	$ 43,316

The mortgages and loans payable bear interest at the following weighted average interest rates:

	2009	2008
Mortgages payable	8.03%	8.08%
CMHC loans	8.66%	8.70%

Principal repayments required over the next five years are as follows:

	CMHC Loans	Mortgages	Government of Yukon Loans	Land Sales Agreements	Total
			(thousands of dollars)		
2010	$ 301	$ 1,152	$ 619	$ 8,885	$ 10,957
2011	305	1,254	619	2,205	4,383
2012	233	1,364	619	1,922	4,138
2013	167	1,478	619	1,658	3,922
2014	178	1,591	587	1,219	3,575

At March 31, 2009, the Corporation owed the Government of Yukon a Land Sales Agreements principal payment of $6,740,000 for principal amounts collected during the year. This amount was subsequently paid to the Government of Yukon on September 17, 2009.

7. Post-employment benefits

The Corporation provides post-employment benefits to its employees based on years of service and salary. These benefits consist of severance benefits, cash payment of unused sick and vacation leave.

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method prorated on service. Post-employment benefits are not funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations or other sources of revenue.

The results measured at March 31, 2009 are summarized as follows:

	2009	2008
	(thousands of dollars)	
Accrued benefit liability, beginning of year	$ 716	$ 633
Add: Current service costs	52	51
Interest on accrued benefit obligation	43	37
Contributions made by the Corporation	7	53
Less: Benefits paid during the year	(7)	(53)
Amortization of net actuarial gains	(2)	(5)
Accrued benefit liability, end of year	$ 809	$ 716
Less: Unamortized net actuarial gain	(18)	(20)
Accrued benefit obligation, end of year	$ 791	$ 696

The significant actuarial assumptions were:

	2009	2008
Discount rate	5.75%	5.75%
Salary escalation rate	See below *	See below *
Expected average remaining service life of active employees	8.9 years	8.9 years

*1.2% on June 1, 2008, 1.8% on January 1, 2009, 1.2% on June 1, 2009 and 2.5% per annum thereafter.

The most recent actuarial valuation made for these post-employment benefits was as of April 1, 2007. The next required valuation would be as of April 1, 2010.

8. Retirement benefits

The Corporation and all eligible employees contribute to the Public Service Pension Plan of the Government of Canada. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. Contributions during the year were as follows:

	2009	2008
	(thousands of dollars)	
Employer's contribution	$ 316	$ 264
Employees' contribution	157	136

9. Advances - Government of Yukon

Advances from the Government of Yukon represent series of working capital advances by the Government of Yukon to the Corporation. These advances are without interest and have no repayment terms.

	2009	2008
	(thousands of dollars)	
Balance at beginning of year	$ 10,123	$ 10,021
Cash advances from Government of Yukon	5,811	3,748
Operating grant	(4,874)	(3,117)
Funding for Seniors' Housing Management Fund (Note 5)	(550)	(529)
	387	102
Balance at end of year	$ 10,510	$ 10,123

10. Tangible capital assets

			2009	2008
			(thousands of dollars)	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,531	$ -	$ 1,531	$ 1,431
Social housing	38,253	24,083	14,170	14,826
Staff housing	15,067	7,352	7,715	7,368
Office building	1,893	863	1,030	1,118
Other facilities	786	763	23	16
Furnishings and equipment	108	88	20	28
Computer systems	199	140	59	37
(Schedule B)	$ 57,837	$ 33,289	$ 24,548	$ 24,824

At March 31, 2009, there were construction projects in progress in the amount of $148,000 (2008 - $2,606,000). These construction projects in progress were for Watson Lake Heritage Housing, which is expected to be completed in October 2010 and Whitehorse Affordable Family Housing, which is expected to be completed in March 2011. There was no interest incurred for the construction of tangible capital assets in the current year or previous year.

11. Deferred capital contributions

Deferred capital contributions represents the unamortized portion of Government of Yukon and CMHC contributions used to purchase depreciable tangible capital assets.

Changes in the deferred capital contributions balance are as follows:

		2009	2008
		(thousands of dollars)	
Balance at beginning of year		$ 10,499	$ 8,689
Add:	Funding from Government of Yukon used to acquire tangible capital assets	1,943	2,592
Less:	Amortization of deferred capital contributions related to tangible capital assets	(793)	(782)
	Reduction due to disposal of related tangible capital assets	(95)	-
Balance at end of year		$ 11,554	$ 10,499

12. Expenses by object

	2009	2008
	(thousands of dollars)	
Materials, supplies and utilities	$ 6,012	$ 5,539
Personnel	3,240	2,895
Contract and special services	2,347	1,811
Amortization expenses	2,082	2,016
Interest on long-term debt	1,464	1,581
Transfer payments	1,450	858
Communication and transportation	278	212
Other	1,415	1,327
	$ 18,288	$ 16,239

13. Financial instruments

The balances in Cash and cash equivalents, Bank indebtedness, Due from Canada Mortgage and Housing Corporation, Accounts receivable - other, Accounts payable and accrued liabilities and Due to Government of Yukon are non-interest bearing and have fair values that approximate their carrying amount due to their short term to maturity. These balances are the result of transactions incurred in the normal course of business and have no significant credit risks.

The fair values of the Corporation's long-term financial instruments were based on management's best estimates and were determined using the present value of future cash flows discounted at the March 31, 2009 average market rate for mortgages and loans with similar maturities.

The carrying amount and estimated fair values of the long-term financial instruments are as follows:

	2009		2008	
	(thousands of dollars)			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Loans receivable				
Mortgages receivable net of allowances for repayment subsidies on Home Repair loans and valuation	$ 43,740	$ 43,456	$ 33,339	$ 31,743
Land sales agreements receivable	9,148	9,248	8,533	8,482
	$ 52,888	$ 52,704	$ 41,872	$ 40,225
Long-term debt				
Mortgages payable	$ 14,598	$ 15,013	$ 15,680	$ 15,659
CMHC loans	3,229	3,674	3,504	3,883
Loans payable - Government of Yukon	14,671	6,934	15,289	6,379
Land sales agreements due to Government of Yukon	15,888	14,651	8,843	7,440
	$ 48,386	$ 40,272	$ 43,316	$ 33,361

These financial instruments do not have active markets.

Until settled, the fair value of loans receivable will fluctuate with changes in interest rates. Management believes that unrealized losses are short term in nature and the carrying amount of loans receivable will be fully recovered.

14. Related party transactions

The Corporation is related in terms of common ownership to all Government of Yukon departments, corporations and agencies. In addition to those related party transactions disclosed elsewhere in these financial statements, the Corporation enters into transactions with related entities in the normal course of business.

(a) Shared services costs

The Corporation is party to a Shared Services arrangement with two other government organizations which consolidates functions such as finance, systems and administration, policy and communications and human resources services. The amount charged by the Government of Yukon to the Corporation for shared services for the year 2009 was $1,676,000 (2008 - $1,554,000). These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(b) Other transactions

The value of administrative services provided without charge by the Government of Yukon to the Corporation in 2009 is estimated to be $22,000 (2008 - $20,000) . This amount is included in the Statement of Operations under Other revenues and Administration expenses. The value of territorial agent services provided without charge by the Corporation to the Government of Yukon for 2009 is estimated to be $41,000 (2008 - $40,000). This amount is included in the Statement of Operations under Administration expenses.

The employees of the Corporation are paid by the Government of Yukon. The Corporation reimburses the Government on a monthly basis for salaries and benefits expenses paid.

In 2008, the Corporation entered into an agreement with Government of Yukon for the care and maintenance of the new 48 unit seniors' social housing constructed as part of the Athletes' Village in Whitehorse. The Corporation has assumed responsibility for the facilities operation and maintenance costs. The value of services provided without charge, relating to the use of this building by the Corporation, is estimated in 2009 to be $502,000 (2008 - $502,000) based on the Government of Yukon's amortization expense.

15. Contractual obligations and contingencies

	2009	2008
	(thousands of dollars)	
Outstanding contractual obligations to complete the funding of mortgages receivable as at March 31.	$ 3,800	$ 4,787
Subsidies to private social housing organizations	380	425

Pursuant to a Supreme Court of Yukon Territory court order, the Whitehorse Housing Authority (the Authority) was appointed Receiver/Manager of an independent third party entity, the Whitehorse Housing Co-operative Association Limited (the Co-operative), effective December 9, 2003. In May 2009, the Authority was discharged from its responsibility as Receiver/Manager of the Co-operative.

Pursuant to an agreement signed with CMHC in 1998, the Corporation is liable for a mortgage payable by the Co-operative in the event of a default. The amount of the mortgage payable as at March 31, 2009 was $1,127,000 (2008 - $1,170,000). Management believes that the Corporation would be able to repay the mortgage in full through the sale of the Co-operative's assets (against which the mortgage is made) in the event of a default.

The Corporation purchases insurance for all tangible capital assets that are quadruplexes and larger. This accounts for 297 out of 661 units in total (2008 - 291 out of 655) with a net book value of $10,258,000 (2008 - $9,320,000). The balance of units are not insured as any single loss would be insignificant.

In the normal course of operations, the Corporation is subject to legal claims and possible claims; no provision for any claim is included in these financial statements.

16. Bad debts write-offs

Section 14(4) of the *Financial Administration Act* requires accounts written off during the fiscal year to be reported in the Public Accounts of the Yukon. There were $5,287 of bad debts written off during the year ended March 31, 2009. Bad debts written off during the current year and past four years are as follows:

Year	Amount
2009	$ 5,287
2008	11,626
2007	-
2006	164,347
2005	10,845

17. Affordable Housing Initiative - Economic Stimulus

On May 22, 2009, the Corporation entered into an agreement with CMHC to access funding for Economic Stimulus measures under Canada's Economic Action Plan through the Affordable Housing Initiative. Under this agreement, CMHC agreed to contribute up to $51.29 million in Economic Stimulus funding for commitments made by the Corporation from January 27, 2009 to March 31, 2011.

In 2009, the Corporation incurred $142,000 in expenses related to the planning phases of the Watson Lake Heritage Housing project, Whitehorse Affordable Family Housing project and the Children's Receiving Home. These expenses were retroactively designated as eligible expenditures under the Economic Stimulus agreement with CMHC.

In 2010, the Corporation received $25.63 million of Economic Stimulus funding from CMHC.

18. Comparative figures

Certain comparative figures for 2008 have been reclassified to conform with the 2009 presentation.

Yukon Housing Corporation
Schedule of Program Costs and Administration Expenses
for the year ended March 31, 2009

Schedule A

	2009	2008
	(thousands of dollars)	
Program costs		
Housing operations		
General maintenance	$ 3,168	$ 2,997
Personnel	2,809	2,495
Amortization	1,940	1,875
Utilities	1,842	1,629
Direct lending program administration	643	274
Property taxes	567	472
Building services - in-kind (Note 14(b))	502	502
Subsidies - private social housing organizations	380	389
Property rentals	422	436
Garbage collection and janitorial	166	161
Insurance	158	160
Housing program administration	96	28
Bad debts - housing operations including rental tenants	54	46
	12,747	11,464
Other		
Write-down of tangible capital assets	38	-
Loss on sale of tangible capital assets	4	35
	42	35
	$ 12,789	$ 11,499
Administration expenses		
Personnel	$ 431	$ 400
Rentals - office and equipment	254	203
Travel and transportation	173	132
Amortization	142	141
Office and sundry	114	74
Communications	105	80
Boards and committees	37	31
Professional fees	29	41
Program promotion	22	34
	$ 1,307	$ 1,136

Yukon Housing Corporation
Schedule of Tangible Capital Assets
for the year ended March 31, 2009

Schedule B

(thousands of dollars)

	Land	Social Housing	Staff Housing	Office Building	Other Facilities	Furnishings and Equipment	Computer Systems	2009 Total	2008 Total
Cost of tangible capital assets, opening [1]	$ 1,431	$ 37,571	$ 14,272	$ 1,893	$ 769	$ 108	$ 131	$ 56,175	$ 53,822
Acquisitions [1]	100	925	833	-	17	-	68	1,943	2,529
Write-downs	-	-	(38)	-	-	-	-	(38)	-
Disposals	-	(243)	-	-	-	-	-	(243)	(176)
Cost of tangible capital assets, closing [1]	1,531	38,253	15,067	1,893	786	108	199	57,837	56,175
Accumulated amortization, opening	-	22,745	6,904	775	753	80	94	31,351	29,427
Amortization expense	-	1,482	448	88	10	8	46	2,082	2,016
Disposals	-	(144)	-	-	-	-	-	(144)	(92)
Accumulated amortization, closing	-	24,083	7,352	863	763	88	140	33,289	31,351
Net book value [1]	**$ 1,531**	**$ 14,170**	**$ 7,715**	**$ 1,030**	**$ 23**	**$ 20**	**$ 59**	**$ 24,548**	**$ 24,824**
Construction in progress	$ -	$ 148	$ -	$ -	$ -	$ -	$ -	$ 148	$ 2,606

[1] Includes construction in progress

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YUKON LIQUOR CORPORATION

FINANCIAL STATEMENTS

March 31, 2009

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YUKON LIQUOR CORPORATION
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of the Yukon Liquor Corporation is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced; the assets of the Corporation are safeguarded and controlled; the transactions of the Corporation are in accordance with the relevant legislation, regulations and by-laws of the Corporation; the resources of the Corporation are managed efficiently and economically; and the operations of the Corporation are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Corporation. The financial statements as at March 31, 2009, which include amounts based on management's best estimates as determined through experience and judgment, are prepared in accordance with Canadian generally accepted accounting principles.

These financial statements have been independently audited by the Corporation's external auditor, the Auditor General of Canada, and her audit report is included in this report.

Susan Russell
A/Director, Finance, Systems and Admin

May 29, 2009
Date

Ron MacMillan
President

May 29, 2009
Date

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister responsible for the Yukon Liquor Corporation

I have audited the balance sheet of the Yukon Liquor Corporation as at March 31, 2009 and the statements of income, comprehensive income and equity and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Liquor Act*, I report that, in my opinion, these principles have been applied, after giving retroactive effect to the change in the method of accounting for inventories as explained in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith, and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Liquor Act* and regulations, the *Liquor Tax Act*, the *Financial Administration Act* and regulations and the by-laws of the Corporation.

Andrew Lennox, CGA, CMA
Assistant Auditor General
for the Auditor General of Canada

Vancouver, Canada
May 29, 2009

YUKON LIQUOR CORPORATION
BALANCE SHEET
As at March 31

ASSETS

	2009	2008
	(in thousands)	
Current		
Cash	$ 2,944	$ 3,104
Accounts receivable	84	77
Inventories	2,415	2,651
	5,443	5,832
Property, plant and equipment (Note 5 and 7)	1,571	1,822
	$ 7,014	$ 7,654

LIABILITIES & EQUITY

	2009	2008
Current		
Accounts payable and accrued liabilities	$ 1,551	$ 2,006
Due to the Government of Yukon (Note 6)	2,932	3,016
Deferred revenue	74	76
	4,557	5,098
Non-pension benefit liability (Note 10)	886	734
	5,443	5,832
Equity (Note 7)	1,571	1,822
	$ 7,014	$ 7,654

Commitments and contingencies (Note 11)

The accompanying notes are an integral part of the financial statements.

Approved by Management:

Mussell

Director, Corporate Services, Finance, Systems & Admin

President

YUKON LIQUOR CORPORATION
STATEMENT OF INCOME, COMPREHENSIVE INCOME AND EQUITY
for the year ended March 31

	2009	2008
	(in thousands)	
Sales		
Beer	$ 14,590	$ 14,357
Spirits	8,904	8,497
Wine	5,074	4,721
	28,568	27,575
Cost of goods sold	14,349	14,026
Gross profit	14,219	13,549
Expenses		
Salaries and benefits	3,734	3,720
Rent, utilities and maintenance	1,638	1,612
Shared corporate services costs (note 9d)	1,064	978
Services provided to Government of Yukon without charge (note 9c)	499	474
Amortization	513	438
Bank expenses	292	272
Travel and communications	225	186
Other	184	178
General and office supplies	161	206
	8,310	8,064
Operating income	5,909	5,485
Other income		
Fees, permits and licences	114	112
Miscellaneous	8	7
Services received from Government of Yukon without charge (note 9c)	558	557
	680	676
Net income and comprehensive income	$ 6,589	$ 6,161
Equity, beginning of year as previously reported	$ 1,822	$ 2,051
Adoption of new accounting policies (note 2c)	$ 189	
Equity, beginning of year as restated	$ 2,011	$ 2,051
Current year's income to be remitted to the Government of Yukon (note 9a)	(7,029)	(6,390)
Equity, end of year (note 7)	$ 1,571	$ 1,822

The accompanying notes are an integral part of the financial statements.

YUKON LIQUOR CORPORATION
STATEMENT OF CASH FLOWS
for the year ended March 31

	2009	2008
	(in thousands)	
Operating activities		
Cash receipts:		
Sales - spirits, wine and beer	$ 28,569	$ 27,575
Annual licence fees and other	114	110
Cash disbursements:		
Purchases	(13,925)	(14,539)
Salary, wages and benefits	(4,144)	(4,120)
General and administrative expenses	(3,132)	(1,329)
Net cash available from operating activities	7,482	7,697
Investing activities		
Cash disbursements:		
Acquisition of property, plant and equipment	(262)	(209)
Net cash used in investing activities	(262)	(209)
Financing activities		
Cash disbursements:		
Remittance of income to the Government of Yukon	(7,380)	(5,793)
Net cash used in financing activities	(7,380)	(5,793)
(Decrease) increase in cash for the year	(160)	1,695
Cash, beginning of year	3,104	1,409
Cash, end of year	$ 2,944	$ 3,104

The accompanying notes are an integral part of the financial statements.

1. Authority and Operations

The Corporation, established in 1977 under the *Liquor Act*, is responsible for the purchase, distribution and sale of liquor within the Yukon. It is responsible for controlling the sale of liquor through licensed outlets and enforcing all matters related to the *Act*.

In accordance with the *Liquor Act*, the net income for the year, before amortization, less amounts expended on property, plant and equipment, is remitted to the Government of Yukon on a monthly basis.

The Corporation is required by the *Liquor Tax Act* to collect liquor taxes on behalf of the Government of Yukon and to remit these taxes on a monthly basis. The current rate is 12% (2008-12%), and is applied to all selling prices.

In accordance with the provisions of the *Beverage Container Regulations* under the *Environment Act*, the Corporation collects various beverage container deposits and recycling surcharges on the sale of its products. These amounts are remitted to the Recycling Fund on a monthly basis after deducting deposit refunds paid and fees earned under the program.

As a territorial corporation of the Government of Yukon, the Corporation is exempt from income taxes under Section 149(1)(d) of the *Canadian Income Tax Act*.

2. Change in Accounting Policy

a) Capital Disclosures

Effective April 1, 2008, the Corporation adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1535, "Capital Disclosures". Section 1535 requires disclosure of the objectives, policies, and processes for managing capital information about what the Corporation regards as capital; whether the Corporation has complied with any external capital requirements; and the consequences of not complying with these capital requirements. This new section was applied prospectively. The additional disclosures are presented in Note 8.

b) Financial Instruments – Disclosure and presentation

Effective April 1, 2008, the Corporation adopted the new CICA handbook sections 3862, "Financial Instruments – Disclosures" and 3863, "Financial Instruments – Presentation". The standards require the disclosure of information with regards to the significance of financial instruments for the Corporation's financial position and operations, the nature and extent of risks arising from financial instruments to which the Corporation is exposed to during the period and at the balance sheet date, how the Corporation manages those risks. These standards replace CICA handbook section 3861 "Financial Instruments – Disclosure and Presentation". These new sections were applied prospectively. The additional disclosures required as a result of adopting these standards are included in Notes 3 and 4.

c) Inventories

Effective April 1, 2008, the Corporation adopted the new CICA Handbook Section 3031, Inventories, which is based on International Accounting Standards ("IAS") 2. The new section replaces the existing Section 3030, Inventories. Under the new section, inventories are required to be measured at the "lower of cost and net realizable value" which is different from the existing guidance of "lower of cost and market". Due to the changes in the section, the Corporation will include all costs incurred in bringing the inventories to their present location and condition including transport and handling costs. The significant effects of the change related to the opening inventory for the period were to adjust the 2009 Opening inventory and Opening equity of $189,000 in accordance with the transitional provisions of CICA Handbook Section 3031.

d) Future Accounting changes
International Financial Reporting Standards (IFRS)
The Canadian Accounting Standards Board has announced that all publicly-accountable Canadian reporting entities will adopt IFRS as Canadian Generally Accepted Accounting Principles (GAAP) for the years beginning on or after January 1, 2011. The Corporation is currently evaluating the impact of the adoption of these new standards.

3. Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

Inventories
Inventories are comprised of alcoholic beverages for resale and are valued at the lower of landed cost at point of sale and net realizable value as per Section 3031 of the CICA handbook. Inventories are determined on a first-in, first-out basis. Cost is comprised of supplier invoiced value, freight, duties and taxes. Net realizable value represents the estimated selling price for inventories less the cost to sell.

Revenue recognition
Revenue is recognized when the sale of products is made to customers.

Expense recognition
Expenses are recognized as incurred, on an accrual basis, in the period to which they relate.

Property, plant and equipment
Property, plant and equipment owned by the Corporation are recorded at cost. Only assets that meet the minimum threshold limit are capitalized on the balance sheet. Amortization is calculated on a straight-line basis and is based on the estimated useful lives of the assets as follows:

Classification	Estimated Useful Life
Land	Indefinite
Buildings	20 years
Furniture and office equipment	5 years
Operating equipment	5 years
Systems development	5 years
Systems equipment	5 years
Leasehold improvements	remaining term of lease

Employee future benefits
Non-pension benefits
Under the conditions of employment, employees may qualify and earn employment benefits for vacation, sick, compensatory and personal leave, travel bonus, and severance benefits. The benefit obligation was determined on an actuarial basis. The costs of these benefits are accrued as employees render the services required to earn them. The obligation for vacation leave, sick leave, and severance benefits were calculated using the projected benefit method pro-rated on service. The remainder was calculated assuming all employees would receive the benefits on valuation date. Actuarial gains and losses are deferred and amortized. Extended health care and insurance plan employee future benefit liabilities are paid by and accrued in the financial statement of the Government of Yukon.

Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Corporation's contribution to the Plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employee's required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension obligations of the Corporation and are expensed during the year in which the services are rendered. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Services provided without charge

The Corporation records in the Statement of Income, Comprehensive Income and Equity services it receives or provides without charge to the Government of Yukon in the normal course of operations, at their carrying amount. These services include the following:

- services, primarily accommodation, provided by the Government of Yukon;
- services provided by the Corporation to the Government in its capacity of Territorial Agent in localities outside of Whitehorse.

Use of estimates

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. Estimates are used when accounting for matters such as amortization and non-pension benefit liability. Actual results could differ materially from these estimates.

Financial Instruments

The Corporation's financial instruments consist of Cash, Accounts receivable, Accounts payable and Due to the Government of Yukon. Accounts payable and Due to the Government of Yukon are due on demand and non-interest bearing. The carrying amounts of each approximate fair values because of their short maturity. These financial instruments are accounted for as follows:

Held-for-trading

The Corporation has designated the following financial asset on initial recognition as held-for-trading: Cash. This instrument is recognized at its fair value.

Loans and receivables

The Corporation has classified the following financial asset as loans and receivables: Accounts Receivable. This instrument is initially recognized at its fair value. Fair value is approximated by the instruments initial cost in a transaction between unrelated parties. Loans and receivables are subsequently measured at its amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income when the loan or receivable is settled or upon impairment.

Other financial liabilities

The Corporation has classified the following financial liabilities as other financial liabilities: Accounts Payable and Due to the Government of Yukon. These instruments are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income when the liability has been settled or upon impairment.

4. Financial Instruments

Risk Management
The Corporation, through its financial assets and liabilities, is exposed to the following risks from its use of financial instruments: credit risk, and liquidity risk. The Corporation manages these risk exposures on an ongoing basis. The Corporation has no significant exposure to interest rate risk and foreign exchange risk. The Corporation is not party to any derivative financial instruments.

Credit Risk
Credit risk on financial instruments arises from the possibility that the issuer of a financial instrument fails to meet its obligation.

The carrying amount of Cash and Accounts receivable represents the maximum credit exposure.

The Corporation's Accounts receivable has a carrying value of $84,000 as of March 31, 2009 (2008 - $77,000). There is no concentration of accounts receivable with any one customer. As at March 31, 2009, approximately 36.6% (2008 – 5.0%) of Accounts receivable were over 90 days past due, whereas 63.4% (2008 – 95.0%) were current or less than 30 days past due. Historically, the Corporation has not incurred any significant losses with respect to bad debts. The Corporation's allowance for doubtful accounts is nil at March 31, 2009 (2008 - nil).

The risk on cash is minimized as these assets are held with a Canadian chartered bank.

Liquidity Risk
Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's objective is to have sufficient liquidity to meet these liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements by regularly checking bank balances and accounts payable reports.

The carrying amount of Accounts payable and accrued liabilities and Due to Government of Yukon represents the maximum exposure to liquidity risk.

The Corporation does not have long-term financial liabilities. The Corporation's Accounts payable and accrued liabilities had a carrying value of $1,551,000 as at March 31, 2009 (2008 – 2,006,000). As at March 31, 2009, approximately $25,000 or 1.6% (2008 – 0.4%) of Accounts payable were over 90 days past due, whereas 98.4% (2008 – 99.6%) were current, or less than 30 days past due. Due to Government of Yukon had a carrying value of $ 2,932,000 as of March 31, 2009 (2008 - $3,016,000).

5. Property, Plant and Equipment

Property, plant and equipment purchased by the Corporation are as follows:

	2009			2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
		(in thousands)		
Land	$ 202	$ -	$ 202	$ 202
Buildings	4,756	3,842	914	1,154
Furniture and office equipment	287	53	234	29
Operating equipment	309	255	54	53
Systems development	216	141	75	153
Systems equipment	223	131	92	208
Leasehold improvements	357	357	0	23
	$ 6,350	$ 4,779	$ 1,571	$ 1,822

6. Due to the Government of Yukon

	2009	2008
	(in thousands)	
Reimbursements due for salaries to employees, shared services costs, and other costs paid on behalf of the Corporation (Note 9d)	802	598
Income due to the Government of Yukon pursuant to the *Liquor Act* (Note 9a)	1,539	1,890
Liquor tax (Note 9b)	451	455
Net remittances due to the Recycling Fund	140	73
Net due at the end of the year	$ 2,932	$ 3,016

7. Equity

This amount represents the sum of the net book value of property, plant and equipment purchased by the Corporation after March 31, 1990, $1,571,000 (2008 - $1,822,000) which the Government of Yukon has provided to the Corporation. The annual change in equity represents additions and disposals of property, plant and equipment less amortization expense for the year.

8. Capital management

The Corporation manages its capital in order to purchase a range of liquor products and make them available to consumers, and to regulate the sale and consumption of liquor products, while optimizing the net proceeds to government realized from the sale and control of liquor.

The Corporation defines capital as equity (see note 7) which is represented by net assets. It is subject to the financial management and accountability provisions of the *Financial Administration Act*, the *Corporate Governance Act*, and the *Liquor Act*, which specifies that net assets of the Corporation are the property of the Government of Yukon.

The Corporation manages its equity through its five year capital plan and as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings to ensure that its objectives are achieved efficiently. The five year capital plan and revenue projections are approved annually by the Management Board of the Government of Yukon. The Corporation is required to provide regular variance reporting to Government of Yukon to ensure the Corporation effectively achieves its objectives whilst remaining a going concern.

The Corporation is not subject to external capital requirements.

9. Related party transactions

a) Income due to the Government of Yukon pursuant to the *Liquor Act*

Calculation of adjusted net income due to the Government of Yukon for the year (Note 1):

	2009	2008
	(in thousands)	
Balance due at the beginning of the year	$ 1,890	$ 1,293
Adoption of new accounting policy (note 2c)	189	-
Net income and comprehensive income	6,589	6,161
Property, plant and equipment additions	(262)	(209)
Amortization	513	438
Current year's income to be remitted to the Government of Yukon	7,029	6,390
Less: remitted during the year	(7,380)	(5,793)
Balance due at the end of the year	$ 1,539	$ 1,890

b) Liquor tax

Liquor tax collected and due to the Government of Yukon for the year (Note 1):

	2009	2008
	(in thousands)	
Balance due at the beginning of the year	$ 455	$ 198
Liquor tax collected during the year	3,426	3,311
Less: remitted during the year	(3,430)	(3,054)
Balance due at the end of the year	$ 451	$ 455

c) **Other transactions**
The value of services provided without charge by the Government of Yukon to the Corporation is estimated to be $557,860 (2008 - $557,464). The value of services provided without charge by the Corporation to the Government is estimated to be $499,327 (2008 - $474,454). These transactions are included in the financial statements of the Corporation.

The employees of the Corporation are paid by the Government of Yukon. The Corporation reimburses the Government on a monthly basis for salaries and benefits expenses paid.

The Corporation recognizes services received from and provided to the Government of Yukon at their carrying amount. Recording the value of services provided without charge both by and to the Government recognizes and discloses the full cost of operations of the Corporation.

There is no effect on the 2009 net operating results of the Corporation as a result of this policy. However, individual financial statement items are affected as follows:

	2009	2008
Other income – Government of Yukon – services provided without charge: increased	$ (557,860)	$ (557,464)
Other income – Less: services provided to Government of Yukon without charge: decreased	499,327	474,454
Expenses – Salaries and benefits: decreased	(415,550)	(416,419)
Expenses – Rent, utilities and maintenance: increased	463,150	488,616
Expenses – Travel and communications: decreased	(4,317)	(4,167)
Expenses – General and office supplies: increased	15,250	14,980
Total	$ 0	$ 0

d) **Shared services costs**
The Corporation is part of a Shared Services arrangement with two other government organizations which consolidates functions such as finance and administration, policy and human resources services. The amount charged by the Government of Yukon to the Corporation for shared services for the year was $1,063,760 (2008 - $977,892). These transactions are in the normal course of operations and are measured at the carrying amount, which is the amount of consideration established and agreed to by the related parties. The amount not paid by the Corporation at year-end is listed in Note 6.

10. Employee future benefits

Pension Plan

The Corporation and all eligible employees contribute to the Public Service Pension Plan administered by the Government of Canada. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. Contributions during the year were as follows:

(in thousands)	2009	2008
Corporation's Contributions	$318	304
Employees' Contributions	159	150

Non-pension benefits

The Corporation provides non-pension benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The results measured at March 31, 2009 are summarized as follows:

	2009	2008
	(in thousands)	
Accrued benefit obligation, beginning of year	$881	$773
Current Service Cost	71	70
Interest cost on accrued benefit obligation	55	48
Amortization of Net Actuarial Gains	(1)	(1)
Prior unrecognized net actuarial gain	-	(9)
Accrued benefit obligation, end of year	$1,006	$881
Short-term portion (vacation)	$120	$147
Long-term portion	886	734
	$1,006	$881
The significant actuarial assumptions were:		
Discount rate	5.75%	5.75%
Salary escalation rate	1.80% Jan 1, 09 1.20% June 1, 09 2.50% per annum thereafter	1.80% Jan 1, 08 1.20% June 1, 08 1.80% Jan 1, 09 1.20% June 1, 09 2.50% per annum thereafter

The most recent actuarial valuation made for this non-pension benefit plan was prepared as of April 1, 2007. The next required valuation would be as of March 31, 2010.

11. Commitments and contingencies

The Corporation has the following operating leases with commitments for annual rents of leased premises due as follows:

Fiscal	Whitehorse Store	Other Retail Stores	Total
2010	224,336	134,727	359,063
2011	224,336	134,727	359,063
2012	18,695	68,775	87,470
2013	-	51,581	51,581
Total	$ 467,367	$ 389,810	$ 857,177

The Corporation's buildings are self insured with the Government of Yukon.

In the normal course of operations, the Corporation is subject to legal claims and possible claims and no provision for any claim is included in these financial statements.

12. Comparative Figures

Certain prior year's figures have been reclassified to conform to the current year's presentation.

COMPENSATION FUND (YUKON)

FINANCIAL STATEMENTS

December 31, 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Workers' Compensation Health and Safety Board (the board) is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced on a timely basis; Compensation Fund assets are safeguarded and controlled; transactions of the Compensation Fund are in accordance with relevant legislation, regulations and board policies; and that the board's resources are managed efficiently and economically and the operations of the board are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Compensation Fund. The financial statements as at December 31, 2008, which include amounts based on management's best estimates as determined through experience and judgement, are in accordance with Canadian generally accepted accounting principles. Other financial information included in the Annual Report is consistent with these financial statements.

Members of the Board of Directors (the Board) are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance, Investment, and Audit Committee. The Finance, Investment, and Audit Committee meets with management and the external auditors on a regular basis. The Committee has reviewed the financial statements and has submitted its report to the Board, which has approved these financial statements.

The Auditor General of Canada conducts an independent audit for the purpose of expressing her opinion on the financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with specified legislation.

Morneau Sobeco, an independent consulting actuarial firm, has completed an actuarial valuation of the benefits liability included in the financial statements of the Compensation Fund and reported thereon in accordance with accepted actuarial practice.

Valerie Royle

Valerie Royle, BComm (Hons), MBA
President and Chief Executive Officer

Jim Stephens, CMA, CGA
Vice President, Operations and
Chief Financial Officer

February 26, 2009

Actuarial Statement of Opinion

I have completed the actuarial valuation of the benefits liability of the Yukon Workers' Compensation Health and Safety Board (the "board") as at December 31, 2008 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part. In my opinion:

1. The estimate of the actuarial liability as at the valuation date is $114,709,000. This includes provisions for benefits expected to be paid after the valuation date for claims that occurred on or before the valuation date. This liability includes future administrative expenses for all benefits except Annuity benefits payable at age 65. It does not include any self-insured employers. A provision for future claims arising from long latency occupational diseases is not included in this valuation.
2. The liability as at the valuation date for Annuity contributions and interest already set aside by the board up to the valuation date for purposes of providing pension benefits at age 65 to injured workers and dependent spouses of deceased workers was obtained from the board's finance division staff and is included in item 1 above.
3. The valuation is based on the provisions of the *Workers' Compensation Act* of the Yukon Territory and on the board's policies and practices in effect on the valuation date.
4. The data on which the valuation is based were supplied by the board in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable to permit a realistic valuation of the benefits liability.
5. The actuarial assumptions adopted in computing the liability are adequate and appropriate, and the methods used are in accordance with accepted actuarial practice for Workers' Compensation organizations in Canada. The economic assumptions are consistent with the funding and investment policies of the board. The discount rates used are disclosed in note 9 to the financial statements.

Conrad Ferguson, F.S.A., F.C.I.A.
Partner, Morneau Sobeco

This report has been peer reviewed by Thane MacKay, F.S.A., F.C.I.A.

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister responsible for the Compensation Fund

I have audited the balance sheet of the Compensation Fund as at December 31, 2008 and the statements of operations and comprehensive income, changes in funded position, and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Workers' Compensation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith. In addition, the transactions of the Fund that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Workers' Compensation Act* and regulations, the *Occupational Health and Safety Act* and regulations and the *Financial Administration Act* and regulations.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Vancouver, Canada
February 26, 2009

Compensation Fund

Balance Sheet

As at December 31

	2008 *($000s)*	2007 *($000s)*
ASSETS		
Accounts receivable (note 4)	$ 2,354	$ 3,137
Investments (note 5)	119,877	134,651
Property and equipment (note 6)	6,988	6,802
	$ 129,219	$ 144,590
LIABILITIES		
Bank overdraft (note 7)	$ 4,141	$ 2,913
Accounts payable and accrued liabilities (note 8)	3,188	3,632
Benefits liability (note 9)	114,709	112,488
Accrued employee benefits (note 10)	857	968
	122,895	120,001
FUNDED POSITION (note 11)		
Prevention Fund	3,123	3,798
Reserves	3,201	20,791
	6,324	24,589
	$ 129,219	$ 144,590

Commitments and Contingencies (notes 13 and 17)

The accompanying notes are an integral part of these financial statements.

Approved by the Yukon Workers' Compensation Health and Safety Board

Craig Tuton
Chair

Compensation Fund

Statement of Operations and Comprehensive Income

For the year ended December 31

	2008 *($000s)*	2007 *($000s)*
Revenue		
Assessments	$ 23,878	$ 22,491
Investments - net (note 14)	(14,806)	(2,958)
Recoveries and other receipts	830	978
	9,902	20,511
Expenses		
Claims expenses (note 9)	17,501	17,125
Administration (note 15)		
General and Administration	7,539	7,015
Occupational Health and Safety	1,300	1,312
Workers' Advocate	405	312
Act Review	313	26
Appeal Tribunal	154	135
Prevention (note 16)	955	1,207
	28,167	27,132
Operating deficit and Comprehensive loss	$ (18,265)	$ (6,621)

The accompanying notes are an integral part of these financial statements.

Compensation Fund

Statement of Changes in Funded Position

For the year ended December 31

	2008 *($000s)*	2007 *($000s)*
FUND BALANCE		
Balance, beginning of year	$ 24,589	$ 31,210
Annual operating deficit and comprehensive loss	(18,265)	(6,621)
Balance, end of year	6,324	24,589
Allocation of Funded Position:		
PREVENTION FUND		
Balance, beginning of year	3,798	4,733
Transfer to Stabilization Fund	(675)	(935)
Balance, end of year	3,123	3,798
ADVERSE EVENTS RESERVE		
Balance, beginning of year	16,380	16,380
Balance, end of year	16,380	16,380
STABILIZATION RESERVE		
Balance, beginning of year	4,411	10,097
Annual operating deficit and comprehensive loss	(18,265)	(6,621)
Transfer from Prevention Fund	675	935
Balance, end of year	(13,179)	4,411
Total Reserves Balance	$ 3,201	$ 20,791

The accompanying notes are an integral part of these financial statements.

Compensation Fund

Statement of Cash Flows

For the year ended December 31

	2008 *($000s)*	2007 *($000s)*
Cash flows from operating activities		
Cash received from:		
Employers, for assessments	$ 24,144	$ 21,834
Investment revenue - net	4,874	6,545
Recoveries and other receipts	788	2,036
	29,806	30,415
Cash paid to:		
Claimants or third parties on their behalf	(15,280)	(15,368)
Employees, for salaries and benefits	(6,870)	(6,694)
Suppliers, for administrative and other goods and services	(3,378)	(3,272)
	(25,528)	(25,334)
Cash provided by operating activities	4,278	5,081
Cash flows from investing activities		
Proceeds on sales and maturities of investments	51,167	55,765
Purchases of investments	(55,763)	(61,010)
Purchases of property and equipment	(910)	(1,006)
Cash used in investing activities	(5,506)	(6,251)
Net decrease in cash	(1,228)	(1,170)
Bank overdraft, beginning of year	(2,913)	(1,743)
Bank overdraft, end of year	$ (4,141)	$ (2,913)

The accompanying notes are an integral part of these financial statements.

Compensation Fund

Notes to the Financial Statements

December 31, 2008

1. Nature of Operations

The Compensation Fund (the Fund) was established by the *Workers' Compensation Act* (the Act) and is administered by the Yukon Workers' Compensation Health and Safety Board (the board) pursuant to the Act. In 2008, the Act was amended and received Assent in the Legislative Assembly. The effective date of the new Act is July 1, 2008. The Fund, as administered by the board, provides compensation for injury or death by accident arising out of and in the course of employment. Annual assessments are levied upon employers by applying their industry assessment rate to their actual or estimated payrolls for the year. The assessment and investment revenue pays for all claims, administration and prevention expenses. In 1992, the board was made responsible for the administration of the *Occupational Health and Safety Act* and regulations to advance strategies for preventing workplace injuries in the territory.

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ significantly from those estimates. The more significant management estimates relate to the determination of the benefits liability, accrued employee benefits, useful life of property and equipment, and accounts receivable and assessments revenue.

The following is a summary of the significant accounting policies:

(a) Benefits liability

The benefits liability is determined annually and represents the actuarial present value of all future benefit payments expected to be made for claims which have occurred in the current fiscal year or in any prior year. The benefits liability includes a provision for future payments on claims that have not been finalized to date. It also includes a provision for all benefits provided by current legislation, policies and administrative practices in respect of existing claims as well as future claims management costs. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period (note 17).

The benefits liability is comprised of three liabilities for medical aid and compensation, pension, and annuity:

> Medical aid and compensation includes benefits for medical aid, compensation for loss of earnings and personal property, lump sum payments for permanent impairment, rehabilitation assistance, emergency transportation, traditional aboriginal healing, and death and funeral expenses.
>
> The pension liability includes monthly pension benefits indexed annually that are paid to spouses, dependent children and guardians of dependent children of those who die from a work-related injury.
>
> The annuity liability is for workers who have received compensation for the same disability for at least 24 months. An amount equal to ten percent of the total compensation payments, plus interest, is set aside to provide a retirement annuity at sixty-five years of age.

(b) Financial Instruments

Recognition and measurement

The board has made the following classifications of the Fund's financial instruments:

Investments

Pursuant to CICA Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, the board has elected to designate all investments as held for trading. Consequently, investments are recorded at fair value. The fair value of publicly traded investments is the quoted market prices. Pooled fund units are valued at their year-end net asset value, as determined by the fund manager. Purchases and sales of investments are recognized on the trade date. Short-term investments held by the investment managers for investment purposes are included in Investments.

Realized gains and losses, arising on the sale of investments, are recognized in investment income in the period earned net of previously recognized unrealized gains and losses. Unrealized gains and losses, arising from fluctuations in fair value, are recognized in investment income in the period in which they arise. Investment income arising from dividends and interest is recognized in the period earned. Investment income is presented net of investment management fees and transaction costs.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income from investments is translated at the rate in effect at the time it is earned. Exchange gains and losses resulting from the translation of foreign currency balances and transactions are recognized in investment income in the period in which they arise.

The board does not enter into any financial derivative instruments as part of managing its investment portfolio.

Other financial assets and liabilities

Accounts receivable and assessments receivable are classified as loans and receivables. Bank overdraft, accounts payable and accrued liabilities, and assessments refundable are classified as other financial liabilities. All are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of accounts receivable, assessments receivable, bank overdraft, accounts payable and accrued liabilities, and assessments refundable, their carrying value approximates fair value.

Disclosure and presentation

Effective January 1, 2008, the Fund adopted the new CICA Handbook Sections 3862, "*Financial Instruments – Disclosures*" and 3863, "*Financial Instruments – Presentation*". The standards require the disclosure of information with regards to the significance of financial instruments for the Fund's financial position and operations, the nature and extent of risks arising from financial instruments to which the Fund is exposed during the period and at the balance sheet date, and how the Fund manages those risks. These standards replace CICA Handbook Section 3861 "*Financial Instruments – Disclosure and Presentation*". The additional disclosures required as a result of adopting these standards are included in note 3.

(c) Capital disclosures

Effective January 1, 2008, the Fund adopted the new CICA Handbook Section 1535, "Capital Disclosures". This section requires disclosure of the board's objectives, policies and processes for managing the Fund's capital, quantitative data about what the board regards as capital and whether capital requirements have been complied with and if it has not complied, the consequences of such non-compliance. The additional disclosures are presented in note 11.

(d) Assessments

Assessment revenue is calculated monthly on actual or estimated payrolls as reported by the employer, or on provisional assessments as determined by the board. Separate rates of assessment are established for each industry classification. At year end, assessments receivable and payable are adjusted based on the difference between estimated and actual payrolls. An allowance for doubtful accounts is provided for assessments receivable based on management's best estimate.

The board administers the Government of Yukon employees' compensation claims related to injuries prior to January 1, 1993 when the Government was a self-insured employer. The Fund receives reimbursement for the claim costs and related administrative expenses of those employees (note 12). These amounts are recorded in Recoveries and other receipts in the year in which the related expenses are incurred.

(e) Recoveries from third parties

In certain limited circumstances, under section 51 of the *Workers' Compensation Act*, the board is deemed to be an assignee of a cause of action in respect of a claimant's disability. The claimant receives 25% of any settlement received after deducting all the costs of the action. This is over and above any future benefits entitlement. The remaining amount is used to offset future claims benefits, which were previously expensed in accordance with actuarial calculations, and which were previously incorporated in the benefits liability.

Revenue received from third party recoveries is recorded in the year the settlement occurs. No provision is made in the benefits liability for possible future third party recoveries because of their contingent nature.

(f) Property and equipment

Property and equipment is recorded at cost less accumulated amortization. Salaries, wages and benefits directly related to internally developed property and equipment are included in the asset's costs. Development costs capitalization will cease when the item is substantially complete and ready for use. The costs will be transferred to the related asset category and amortized. Amortization is calculated on the straight-line method, using rates based on the estimated useful life of the assets as follows:

Buildings	40 years
Furniture and equipment	5 to 10 years
Computer systems and equipment	5 to 10 years

(g) Employee future benefits

Pension benefits
All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Fund's contribution to the Plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employees' required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension obligations of the Fund and are expensed during the year in which the services are rendered. The Fund is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Other benefits
Under conditions of employment, employees may qualify and earn employment benefits for vacation, sick leave, long service, and severance benefits. The benefit obligation is determined on an actuarial basis. The liability for accrued employee benefits is based on the December 31, 2008 actuarial valuation as calculated by the board's actuary. The obligation for vacation leave, sick leave, and severance benefits are calculated using the projected benefit method prorated on service. The long service leave benefit is calculated assuming all employees receive the benefits on the valuation date.

(h) Government funding

In 2005 the Government of Yukon approved the reinstatement of ongoing funding for the Mine Rescue Program, which was transferred to the board in 1993, through an annual grant to the board, beginning in fiscal 2005. This funding is to be reviewed by the Government, at a minimum, every five years. The revenue is accounted for in Recoveries and other receipts in the period in which the related expenses are incurred (note 12).

(i) Future accounting changes

In early 2008, the Canadian Accounting Standards Board announced that publicly accountable Canadian reporting entities will be required to follow International Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011. The Fund will be required to have comparative figures for 2010 and an opening balance sheet at the beginning of 2010 to comply with IFRS standards. Management is assessing the impact to the financial statements of adopting IFRS.

3. Risk Management

The Fund has exposure to the following financial risks: credit risk, liquidity risk, and market risk (which also includes inflation risk, interest rate risk and currency risk). The Fund's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and liabilities.

The Fund's management is responsible for monitoring performance, recommending changes to the Investment Policy, and selecting fund managers. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio through its review and approval of the Investment Policy. The portfolio managers' compliance with this Investment Policy is monitored on a regular basis. Quarterly, the board retains independent consultants to benchmark the performance of its fund managers and to advise on the appropriateness and effectiveness of its Investment Policy and practices..

The following sections present information about the Fund's exposure to each of the above risks and the board's objectives, policies and processes for measuring and managing each risk.

Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. To manage this risk, the board has determined that short-term investments must have a credit rating of at least R1L, and long-term investments require a rating of BBB or higher by the Dominion Bond Rating Service or the equivalent rating by Moody's, in order to be eligible for consideration as an investment. Diversification of credit risk is managed by limiting the exposure in a single private institution to 15% of the portfolio. The board has stayed within these guidelines during the year.

Fixed Income Portfolio Credit Ratings

Ratings:	AAA	AA	A	BBB	2008 *($000's)*	2007 *($000's)*
Fixed Income Securities	25,823	16,455	15,152	3,015	60,445	61,698
Totals	$ 25,823	$ 16,455	$ 15,152	$ 3,015	$ 60,445	$ 61,698

The Fund's exposure to credit risk associated with its accounts receivable and assessments receivable is the risk that an employer or a cost recovery customer (customer) will be unable to pay amounts due to the Fund. Allowances for doubtful accounts are provided for potential losses that have been incurred at the balance sheet date. The amounts disclosed on the balance sheet are net of these allowances for bad debts. Accounts receivable and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. The board takes into consideration the customer's payment history, their credit worthiness and the then current economic environment in which the customer operates to assess impairment. The board recognizes a specific bad debt provision when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to administration expenses.

The board believes that the credit risk of accounts receivable and assessments receivable is mitigated by the following:

i. The employer base is dispersed across various industries, with government comprising a significant concentration. The non government based employers may be affected by any downturns due to prevailing economic conditions.

ii. As at December 31, 2008, approximately 97% of accounts receivable and assessments receivable are outstanding for less than 90 days. The board does not require collateral or other security from employers or customers for accounts receivable.

iii. The board has the power and remedies to enforce payment owing to the Fund.

All of the Fund's accounts receivable and assessments receivable are reviewed for indicators of impairment. A provision for doubtful accounts receivable and assessments receivable of $89,000 (2007 – $41,000) is included in Accounts Receivable.

Securities - lending risk

To generate additional income, the board's fund manager may lend any of its investments to eligible third parties for short periods. These loans are secured against loss with cash or readily marketable securities having a minimum fair value of 100% of the loan. Included in the fund manager's pooled fund investments, at year end, the board's share of outstanding securities on loan amounted to nil (2007 – $3,851,000). The amount of collateral held for the securities at year end was nil (2007 – $4,144,000). For the year, securities-lending transactions within the board's fund manager's pooled investment funds generated incremental income of $15,000 (2007 – $5,000).

Liquidity risk

Liquidity risk is the risk that the Fund is not able to meet its financial obligations as they become due or can do so only at excessive cost. The board's operations are financed through a combination of the cash flows from operations and investments. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows. The board has access to the Government of Yukon overall line of credit facility with the Government's banker. This access provides the board with overdraft coverage when needed. The Fund's accounts payable had a carrying value of $3,188,000 as at December 31, 2008 (2007 – $3,632,000) and are all due within 60 days.

Market risk

The Fund is exposed to market risk, which is the risk that the fair value or future cash flows of its investments will fluctuate in the future because of economic conditions. Market risk is managed through diversification between different asset classes and geographic diversification and by limiting the concentration in any single entity to 15% or less of the fair value of the investment fund.

The table below presents the Fund's investment targets and actual asset mix at fair value as at December 31, 2008:

	Target		Actual	
	Minimum	Maximum	2008	2007
Equities				
Canadian	0%	25%	15.00%	16.30%
United States	0%	25%	14.00%	15.80%
International	0%	25%	17.60%	20.10%
Fixed Income				
Short-term Investments	0%	10%	2.60%	1.80%
Bonds	35%	85%	50.80%	46.00%
			100.00%	100.00%

The table below presents the effect of a material adverse change in the fair value of each of the categories of equities in the Fund's investments portfolio:

	2008 *($000's)*		2007 *($000's)*	
% change in fair value	10%	20%	10%	20%
Equities				
Canadian	$ (1,775)	$ (3,550)	$ (2,184)	$ (4,368)
United States	(1,691)	(3,382)	(2,114)	(4,228)
International	(2,112)	(4,224)	(2,702)	(5,404)

Inflation risk

Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power for current monetary assets. The board manages inflation risk through its investment allocation between equities and fixed income investments.

Interest rate risk

Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates. The Fund's investment portfolio is exposed to interest rate risk through its holdings of short and long-term fixed income investments. Interest rate risk is minimized by actively managing the duration of the fixed income investments.

The table below presents the effects of a 50 and 100 bps[1] adverse change in the nominal interest rate on the bond portfolio:

	2008 *($000's)*		2007 *($000's)*	
+ bp change in nominal interest rate	+50bp	+100bp	+50bp	+100bp
Bonds	$ (1,810)	$ (3,620)	$ (2,143)	$ (4,282)

(1) One basis point (bp) equals1/100 of 1%, 50 bp's = 50/100 of 1% or 0.5%.

The table below presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed income investments exposed to inflation and interest rate risk as at December 31, 2008:

	Remaining term to maturity			2008 *($000's)*	2007 *($000's)*
	1 - 5 years	5 - 10 years	> 10 years	Total	Total
Bonds	$ 27,931	$ 15,397	$ 17,117	$ 60,445	$ 61,698
Average effective yield	3.24%	4.80%	5.06%	4.15%	4.62%

Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates.

Within its pooled investments, the Fund is exposed to exchange rate volatility that is managed by the contracted fund manager. The board does not undertake long-term hedging strategies for the currency risk of foreign investments. The fair value of the Fund's US dollar investments as at December 31, 2008 was $27,781,000 (2007 – $35,297,000). The Fund did not hold any investments in other foreign currencies at December 31, 2008 (2007 – nil).

The table below presents the effects of a change in the Canadian/US dollar exchange rates for all equities held in US dollars:

	2008 *($000's)*	2007 *($000's)*
10% appreciation in the Canadian Dollar	CDN / USD	CDN / USD
US Dollar based Equities	$ (2,526)	$ (3,208)

Derivative financial instruments

The board does not have any derivative financial instruments at year end (2007 – nil).

4. Accounts Receivable

	2008 *($000s)*	2007 *($000s)*
Receivable		
Assessments	$ 2,040	$ 2,865
Government of Yukon (note 12)	204	140
Other receivables	110	132
	$ 2,354	$ 3,137

5. Investments

The Board of Directors has established an investment policy for the management of the investment process, utilizing external investment portfolio managers. The portfolio managers' compliance with this investment policy is monitored on a regular basis.

	2008 *($000s)*	2007 *($000s)*
	Fair Value	Fair Value
Fixed-term securities		
Federal bonds	$ 13,683	$ 19,715
Provincial bonds	4,290	2,822
Corporate bonds	42,472	39,161
	60,445	61,698
Equities		
Canadian	17,750	21,844
United States	16,914	21,145
International	21,122	27,018
	55,786	70,007
Other Investments		
Cash on account	103	99
Short term investments	3,136	1,758
Accrued interest receivable	500	1,148
	3,739	3,005
Investments, sub-total	119,970	134,710
Management fee accrual	(93)	(59)
	$ 119,877	$ 134,651

6. Property and Equipment

	2008 *($000s)*			2007 *($000s)*
	Cost	Accumulated Amortization	Net Carrying Value	Net Carrying Value
Land	$ 390	$ –	$ 390	$ 390
Buildings	3,731	(1,380)	2,351	2,353
Furniture and equipment	630	(557)	73	98
Computer systems and equipment	6,336	(2,299)	4,037	3,801
Systems development (1)	137	–	137	160
	$ 11,224	$ (4,236)	$ 6,988	$ 6,802

(1) As of December 31, 2008, costs of $137,000 (2007 - nil) for the Occupational Health and Safety system were capitalized and will not be amortized until 2010 when the system is substantially complete and in use.

7. Bank Overdraft

The board has access to the Government of Yukon's overall line of credit facility with its banker. This access provides the board with overdraft coverage when needed. At December 31, 2008, the Fund was not required to pay interest on the overdraft.

8. Accounts Payable and Accrued Liabilities

	2008 *($000s)*	2007 *($000s)*
Payable		
Assessments	$ 431	$ 988
Government of Yukon (note 12)	2,191	1,579
Other payables and accrued liabilities	566	1,065
	$ 3,188	$ 3,632

9. Benefits Liability

	2008 *($000s)*				2007 *($000s)*
	Medical Aid & Compensation	**Pension**	**Annuity**	**Total**	**Total**
Balance, beginning of year	$ 83,786	$ 22,235	$ 6,467	$ 112,488	$ 110,731
Add claims costs incurred:					
Current year injuries	13,964	416	-	14,380	14,369
Prior years' injuries	1,901	1,247	(27)	3,121	2,756
	15,865	1,663	(27)	17,501	17,125
Less claims payments made:					
Current year injuries	3,008	-	-	3,008	2,025
Prior years' injuries	10,762	1,681	(171)	12,272	13,343
	13,770	1,681	(171)	15,280	15,368
Balance, end of year	$ 85,881	$ 22,217	$ 6,611	$ 114,709	$ 112,488

The key actuarial assumptions used to value the benefits liability as at December 31 are as follows:

	2008	2007
Discount rate for medical aid benefits - net (1)	1.50%	1.50%
Discount rate for compensation benefits - net (2)	4.00%	4.00%
Discount rate for survivor and other pension benefits - net (2)	4.00%	4.00%

(1) Net of a discount rate attributable to inflation of 5.5%
(2) Net of a discount rate attributable to inflation of 3.0%

The benefits liability was determined using accepted actuarial practice in accordance with standards established by the Canadian Institute of Actuaries. The actuarial present value of future benefits reflects management's and the actuary's best estimates of long term economic and actuarial assumptions. As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments. The fair value for the benefits liability is not practical to determine due to its long-term nature.

Significant changes in the benefits liability due to changes in legislation and actuarial assumptions included the following:

	Increase (decrease) in benefits liability	
	2008 *($000s)*	**2007** *($000s)*
Adjustments to mortality factors	$ 1,242	$ 1,224
Other changes in actuarial assumptions	(570)	–
Favourable claims experience during year	(3,544)	(1,249)
Change in provision for recovery from injury	–	4,773
Legislative change	–	(6,711)
	$ (2,872)	$ (1,963)

10. Employee Future Benefits

(a) Accrued employee benefits

The liability accrual for employee non-pension benefits, including vacation, sick leave, long service, and severance at December 31 was as follows:

	2008 *($000s)*	**2007** *($000s)*
Accrued employee benefits, beginning of the year	$ 968	$ 1,587
Payments made during the year	(48)	(164)
Costs for the year	107	268
Changes in Actuarial assumptions	(170)	(723)
Accrued employee benefits, end of the year	$ 857	$ 968

The key assumptions used to calculate the accrued employee benefits are a liability discount rate of 7.5% (2007 – 5.5%) and an annual rate of general escalation in wages of 3% (2007 – 3%).

(b) Public Service Pension Plan

Contributions made to the Public Service Pension Plan by the Fund and the employees for the year were as follows:

	2008 *($000s)*	**2007** *($000s)*
Employees' contributions	$ 315	$ 269
Fund contributions	633	573

11. Capital Management and Reserves

The *Workers' Compensation Act* establishes that one of the purposes of the Act is to maintain a solvent Compensation Fund managed in the interest of workers and employers. To ensure that the Fund is able to meet its financial obligations, premiums charged to employers over time must be sufficient to cover current and future costs of all claims incurred by injured workers. These assessment revenues combined with investment returns from the Fund's assets are designed to provide the foundation for the Fund to meet all current and future obligations for injured workers.

The Board of Directors considers that capital includes all assets and liabilities. There have been no changes in the objectives and definition of capital from the previous period. The Fund does not have any external capital requirements. The reserves are established to protect the fully funded position of the Fund and to stabilize the effect of fluctuations in the employer assessment rates and investment returns. The Fund is considered fully funded when there are sufficient funds for the payment of all present and future compensation, including the cost of administration. At the end of the fiscal year, once the benefits liability is determined, the remaining difference between the Fund's assets and liabilities is allocated to reserves.

The Board of Directors uses the Funding Ratio (Assets/Liabilities) to manage capital. At December 31, 2008, the Funding Ratio is 105% (2007 – 120%). The decline in the Funding Ratio is a result of the decrease in the Investments portfolio caused by the sharp downturn in the global equity markets during 2008.

In 2008, the Board of Directors amended the Fund's Funding Policy established in 2005, which provides for the establishment of a temporary fund (Prevention Fund) and two new reserves (Adverse Events Reserve and Stabilization Reserve).

Under the current Funding Policy, the Prevention Fund and two reserves are established as follows:

Prevention Fund:

The Prevention Fund serves to provide funding for the start up costs of pre-selected accident prevention and workplace safety initiatives. It was initially established in 2005, with $5,000,000 and will not be replenished once depleted. In 2008, a total of $675,000 (2007 – $935,000) was incurred on accident prevention and workplace safety initiatives. At December 31, 2008, the Prevention Fund has a balance of $3,123,000 (2007 – $3,798,000).

Reserves:

(i) Adverse Events Reserve

The Adverse Events Reserve is to provide funding for infrequent, unexpected adverse claims experience and catastrophic events to protect employers from the sudden impact of the costs of these types of events. The target level for this reserve is $18,881,000 (2007 – $18,569,000), which has been set at 100 times the maximum wage rate plus 10 percent of the benefits liability and is calculated annually upon completion of the actuarial valuation of the benefits liability. Costs related to catastrophic and adverse events and latent occupational diseases are charged to this reserve; 2008 – nil (2007 – nil). This reserve is limited to its target level. Funds in excess of the target level are transferred to the Stabilization Reserve; 2008 – nil (2007 – nil). At December 31, 2008, the Adverse Events Reserve has a balance of $16,380,000 (2007 – $16,380,000).

Transfers cannot be made from this reserve to any other temporary fund or reserve if the transfer will reduce this reserve below its target level.

A funding deficiency exists when the reserve is below its target level; 2008 – $2,501,000 (2007 – $2,189,000). In the event of a charge against this reserve and when a funding deficiency exists, the following steps will be taken to replenish the reserve to its target level:

- Any recovery of the costs charged to this reserve will be added to this reserve, up to the target level.
- Any surplus in the Stabilization Reserve will be transferred to this reserve to replenish it up to the target level, if possible.
- If the transfer from the Stabilization Reserve is not sufficient to replenish this reserve to the target level, the reserve will be replenished by a special assessment premium surcharge based on an established schedule as outlined in the Funding Policy.
- In subsequent years, if a recovery or a surplus in the Stabilization Reserve becomes sufficient to replenish the reserve, any special assessment premium surcharge will be cancelled.

In 2009 a premium surcharge was included in the assessment rates as required by the Funding Policy.

(ii) Stabilization Reserve

The Stabilization Reserve is to protect the fully funded position of the Fund and to stabilize the effect of fluctuations on employer assessment rates. The target level for this reserve is equal to 10 percent of the benefits liability; 2008 – $11,471,000 (2007 – $11,249,000). The operating range for this reserve is determined as the target level balance plus or minus 3.5 percent of the benefits liability. The annual operating surplus (deficit), 2008 – ($17,590,000) (2007 – ($5,686,000)), net of any amounts charged to the temporary fund and the Adverse Events Reserve, is transferred to this reserve. At December 31, 2008, the Stabilization Reserve has a deficit balance of $13,179,000 (2007 – surplus balance of $4,411,000).

This reserve is considered to have a surplus when its balance exceeds the top of the operating range. Any surplus (determined as the difference between the reserve balance and its target level) is transferred to the Adverse Events Reserve, up to the target level if the latter reserve is below target. If the Adverse Events Reserve is at its target level and the balance of the Stabilization Reserve exceeds the upper threshold of the operating range, any surplus will be applied as an employer assessment premium rebate based on an established schedule as outlined in the Funding Policy.

A funding deficiency, 2008 – $24,650,000 (2007 – $6,838,000), exists when the reserve balance is below its target level. The amount of the deficiency is determined as the difference between the reserve balance and its target level. In the event that this reserve falls below the lower threshold of the operating range, 2008 – $7,456,000 (2007 – $7,312,000), the following steps will be taken:

- Any amounts in excess of the target level in the Adverse Events Reserve will be transferred to the Stabilization Reserve, up to the target level, if possible.
- Any remaining deficiency will be replenished up to the target level by a special assessment premium surcharge based on an established schedule as outlined in the Funding Policy.

In 2009 a premium surcharge was included in the assessment rates as required by the Funding Policy.

12. Related Party Transactions

As a statutory Corporation of the Government of Yukon (the Government), the board is related to all Government departments, agencies and Government corporations. The board enters into transactions with these entities in the normal course of business and the transactions are recorded at the exchange amount, which approximates fair value. All mainframe computer software is owned by the Government. The board has access to the Government's overall line of credit facility with its banker. This access provides the board with overdraft coverage when needed. At December 31, 2008, the Fund was not required to pay interest on the overdraft.

The Compensation Fund paid the Government $858,000 (2007 – $951,000) for building maintenance, computer, office supplies, payroll processing, recruitment, vehicle and rehabilitation services. The Fund reimbursed the Government for payroll costs of $6,670,000 (2007 – $6,218,000).

The Government pays certain claims costs to the Compensation Fund for claims prior to 1993 (note 2d) and also reimburses the cost of supplementary benefits pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance. Supplementary compensation benefits are granted, pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance, to all persons receiving compensation on or after October 1, 1973 for accidents prior to that date. Compensation is increased to the amount that would have been granted had the accident occurred after the Act came into force. The cost of these benefits is recovered from the Yukon Consolidated Revenue Fund.

Effective January 1, 1993, all Government employees were covered by the Fund. Revenues and recoveries from the Government of Yukon for the years ended December 31 are as follows:

	2008 *($000s)*	**2007** *($000s)*
Assessments	$ 5,640	$ 4,951
Pre-93 claims costs	43	170
Supplementary compensation benefits	397	402
Recoveries and other receipts	343	373

As at December 31, balances due to and from related parties are as follows:

	2008 ($000s)	2007 ($000s)
Due to Government of Yukon (note 8)	$ 2,191	$ 1,579
Due from Government of Yukon - Recoveries (note 4)	204	140
Due from Government of Yukon - Assessments	-	590

13. Commitments

The board has commitments for computer software development and maintenance fees, professional legal and medical services, contribution agreements, Prevention Fund agreements and office leases for the next five years, in thousands of dollars, as follows:

	Computer software	Professional Services Contracts	Contribution Agreements	Prevention Fund Agreements	Office Leases	Total
2009	32	399	280	225	13	949
2010	30	266	280	205	7	788
2011	28	177	-	-	-	205
2012	-	67	-	-	-	67
2013	-	-	-	-	-	-
						$ 2,009

14. Investment Revenue

	2008 ($000s)	2007 ($000s)
Interest and dividends		
Bonds and short-term investments	$ 3,116	$ 3,098
Equities	2,197	3,895
	5,313	6,993
Gains and (losses) - net		
Realized (losses) gains in the year	(21)	989
Change in fair value in the year	(19,652)	(10,484)
	(14,360)	(2,502)
Investment management fees	(446)	(456)
	$ (14,806)	$ (2,958)

15. Administration Expenses

	2008 *($000s)*	2007 *($000s)*
Salaries and benefits	$ 6,556	$ 5,682
Consulting and professional	803	712
Amortization	723	665
General administration	286	132
Buildings	285	289
Automobile and travel	224	196
Communications	212	297
Computer systems	192	191
Board expenses	158	143
Staffing and recruitment	98	117
Printing and publications	85	112
Supplies and stationery	58	67
Furniture and equipment	31	23
Write-down of property and equipment	-	174
	$ 9,711	$ 8,800

16. Prevention Expenses

	2008 *($000s)*	2007 *($000s)*
Contribution Agreements - funded through the Prevention Fund	$ 675	$ 935
Contribution Agreements - funded through the Stabilization Reserve	280	272
	$ 955	$ 1,207

17. Contingencies

The Fund is required to pay for future costs of claims relating to certain latent occupational diseases which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Because of the absence of reliable evidence and data pertaining to these matters, these liabilities cannot be estimated and are not included in the benefits liability or the financial statements.

Due to the nature of the board's operations, various legal matters are pending. In the opinion of management, these matters will not have a material effect on the Fund's financial position or results of operations.

18. Comparative Figures

Certain prior year's figures have been reclassified to conform to the current year's presentation.

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